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MARCH/APRIL 1997

The China Threat

A Debate

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Narrowcast News

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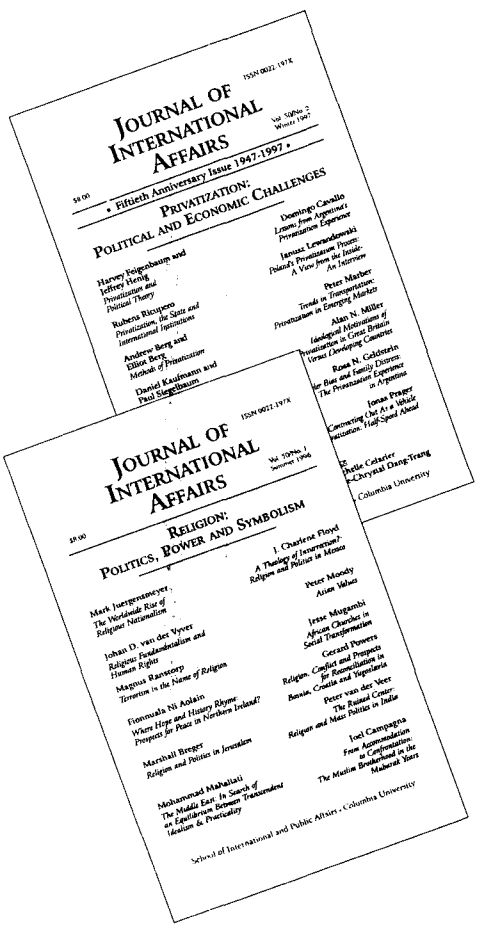

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There is no "China threat," not because China is a benign giant but because it is too weak to challenge the balance of power. China can damage U.S. interests, but it does not require containment. The most striking aspect of Chinese foreign policy is its effort to promote stability. Indeed, China is easier to deal with today than ever before. The United States needs a policy to contend with China's ability to destabilize Asia, not a

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policy to deal with a future hegemon. China is a revisionist power, but for the foreseeable future it will seek to maintain the status quo—and so should the United States.

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Living without a peace agreement, this statelet no one recognizes is mired in communal grievances and nationalism, as is the entire region. One almost longs for a return of the Soviet Union and its rhetoric of friendship between peoples. Karabakhis are discovering that nationalism cannot power an economy and that ethnic identity is a poor foundation for a state.

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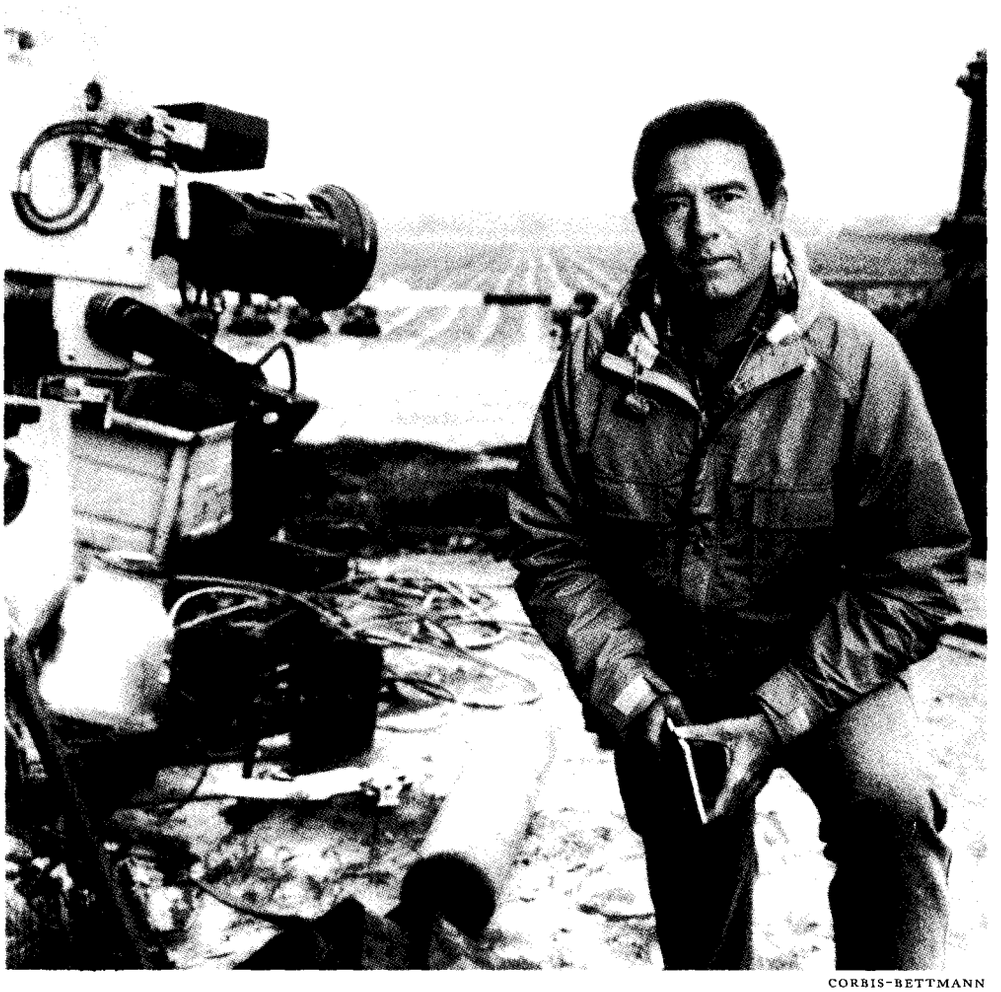

CORBIS-BETTMANN

Dan Rather reporting for CBS News

The network foreign correspondent is becoming an endangered species.

The Shrinking of Foreign News *Garrick Utley* 2

The Unraveling of Japan Inc. *Michael Hirsh and E. Keith Henry* 11

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The Shrinking of Foreign News

From Broadcast to Narrowcast

Garrick Utley

Television's foreign correspondents do not travel light. Off camera, their distinguishing feature is the small mountain of equipment traveling with them, which sets baggage handlers to dreaming of large tips and airlines to calculating budget-busting excess-weight charges.

The financial burden of that luggage is only one factor making the network television foreign correspondent an endangered species. New technologies in cable and satellite TV have turned the stable, predictable, almost automatically profitable television marketplace into a competitive cauldron in which journalism must increasingly compete with entertainment programming. This has prompted a redefining, or at least a questioning, of the traditional news agenda in the post–Cold War world. Producers and network executives believe the American mass audience's interest in daily events beyond their nation's borders is declining, so little such news is offered—which exacerbates the high cost/low return (or low visibility) nature of international coverage today. On-screen sightings of foreign correspondents grow rarer in the place where the most people would see them—on the networks. According to the *Tyndall Report*, total foreign coverage on network nightly news programs has declined precipitously, from 3,733 minutes in 1989 to 1,838 minutes in 1996 at ABC, the leader, and from 3,351 minutes to 1,175 minutes at third-place NBC.

A PARTNERSHIP WITH THE CAMERA

The image of the correspondent reporting from some troubled land has become firmly imprinted in viewers' imaginations, particularly since 1963. Televised coverage of the assassination of John F. Kennedy bonded viewers to what was beginning to be called a "medium," which could convey human experience and emotions as they could never rise off the printed page. A Roper poll that year found for the first time that television was the main source of news for more Americans than newspapers. Moreover, in 1963 NBC and CBS expanded their nightly news programs from 15 minutes to 30. Some at the networks wondered whether there was an audience—and, therefore, sponsors—for the longer newscasts.

GARRICK UTLEY, former Chief Foreign Correspondent for NBC News and ABC News, is a Contributor at CNN.

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BLACK STAR

Reassigned to nowhere, Bosnia, December 1995

More pressing yet, would there be enough news to fill the half-hour? One solution was to build up foreign coverage and the role of foreign correspondents.

From the beginning, a television foreign correspondent performed three functions. First, he—it was a mostly male club—was a journalist reporting the story. He was also the report's producer, deciding what events or visual elements needed to be filmed and what interviews recorded to make the story. In the half-hour format, reports initially ran a minimum of two and a half minutes and often three to five minutes, compared with one and a half minutes or even less today. Reports required a narrative line with the reporter as storyteller, which brought up the correspondent's third role, more image-driven than the first two but equally essential: he was a familiar figure who established the news program's "presence" in the story. Merely by being there, the correspondent gave the network credibility, demonstrating to viewers that his organization spared no effort or expense to be on the scene anywhere in the world where important events were taking place.

Almost immediately, however, it became apparent that the correspondent had a partner with a will of its own: the camera. If television's greatest strength was the transmission of human experience rather than facts, analysis, or concepts, the correspondent ran the risk of becoming little more than a caption writer for the moving pictures. Vietnam brought the issue to a head, as sounds and images of Americans at war resonated in living rooms stateside. Even as they enjoyed the status and visibility television bestowed on them, the correspondents in Vietnam

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found themselves losing editorial autonomy and the pictures' compelling force taking over. Recognizing the immense power of the new visual language, television journalists eventually reached an accommodation with it.

TV COVERS THE EARTH

Then as now, the question facing the foreign correspondent was whether television news, besides offering drama and emotion, could add, if not to viewers' detailed knowledge of the world, at least to their awareness of it. The answer, I believe, is that it has, although the effect is difficult to quantify. Television had an impact on public opinion, which in turn affected the government's formulation of foreign policy, during and after the Tet offensive in Vietnam in 1968, the seizure of the American embassy in Tehran in 1979, the terrorist attack on the Marine Corps barracks in Beirut in 1982, and the killing of American troops in Somalia in 1994. Amid the background noise of the beating of nativist drums and ideologues' declamations, there are few signs that a majority of Americans seek a return to the "splendid isolation" or the Fortress America of the pre-television era. Many factors have contributed to that relative openness to the world, but TV has played a central role.

The growth of network television news coincided with a broadening of the foreign news agenda. Until the 1960s, correspondents (print and electronic) were based primarily in the European capitals and Tokyo. Those covering Latin America, Africa, the Middle East, and the rest of Asia were allotted few column inches and little airtime, regardless of what was going on in those regions. In the 1960s, however, that changed rapidly, not only because of the longer network newscasts but also because of the growing prominence of the Third World and the nonaligned nations movement, both seen in the context of the Cold War rivalry. The 1955 Bandung Conference, trouble in Indochina, the Congo crisis of 1959-62, and armed conflict between India and Pakistan in the 1960s and 1970s meant that correspondents could no longer remain in familiar capitals working their traditional sources. For all the expertise and language skills they had acquired, news was occurring far from London, Paris, or Tokyo.

Travel became a key part of the foreign correspondent's job description. The advent of the Boeing 707 halved the time it took journalists to get to another continent. In the 1970s the routine use of communications satellites made same-day coverage possible, increasing the incentive for reporters and camera crews to race off to breaking stories in remote locations. Newscasts saw a marked shift from overseas feature and background stories to hard news. They gained the immediacy of broadcasting "today's news today," at the cost of the more explanatory coverage that had been part of the evening news of earlier years.

For the foreign correspondent, instant satellite communications left little time for developing expertise in a specific country. Reporters became known as "firemen," flying from one international conflagration to the next. In March 1978 I was based in London, working for NBC News. On a Monday morning of a quiet news period, I had no plans to leave the city. By Saturday, I had covered South Moluccans seizing hostages in the

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Netherlands, the Israeli incursion to the Litani River in southern Lebanon, and the kidnapping of Prime Minister Aldo Moro in Rome, and had returned home—three stories in three countries on two continents in five days.

COLD WAR CONSUMERS

The mass public in the United States has never shown much sustained interest in what is happening abroad. Throughout the nation's history, the American sense of self-containment has rarely been challenged, and then only by direct threats to U.S. interests. The Barbary pirates' "terrorism," the War of 1812, and the sinking of the *Maine* were international punctuation marks of the nineteenth century. In this century, too, Americans' interest in foreign affairs has generally been limited to war and the threat of war. The longest of these conflicts, the Cold War, coincided with the growth of television, from the late 1940s to the late 1980s.

For those four decades, the East-West conflict was the global environment in which Americans lived. As long as nuclear weapons were aimed at American communities, the question of personal security took on an international dimension. Journalists quickly discovered that they could sell their editors—because their editors could sell the public—almost any story pegged to a Soviet or communist threat, from crises in Berlin to Vietnam to Angola. The dynamics were not unlike those in the defense industry or in politics, where a new weapons system or an anti-communist crusade could always be justified as part of the Cold War struggle.

Afghanistan is a vivid example. In the 1980s the war there received extensive television news coverage so long as the story was about Soviet expansionism. After the Soviet Union's withdrawal in 1989, news coverage in general and network television coverage in particular plummeted, even though Afghan factions were fighting each other with brutal intensity. Not until last October, when Taliban forces occupied Kabul and cameras recorded the excesses of the victors and their vision of Islamic law—hanging bodies and women ordered to stay at home—was the American news appetite whetted again.

The passing of the Cold War era has left many institutions adrift, searching for a new order or definition, and television news is no exception. Without stories from abroad that could be presented as part of an overall threat to American security, newscasts suffered a severe loss in an increasingly

THE DECLINE OF INTERNATIONAL NEWS

Foreign Bureau Reports

	ABC	CBS	NBC
1988	1158	1090	1013
1992	1037	736	749
1996	577	692	327

Foreign Policy Coverage

	ABC	CBS	NBC
1988	597	713	674
1992	612	509	585
1996	343	446	320

Overseas News*

	ABC	CBS	NBC
1988	1410	1310	1221
1992	1166	788	827
1996	918	824	528

Coverage in minutes

*Not reported from foreign bureaus; no foreign-policy component

SOURCE: TYNDALL REPORT

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competitive medium that thrives—perhaps depends—on drama and conflict to attract and hold an audience's attention. The external threats (say, ICBMs) have been replaced by what many perceive as the threats at home (a mugger on the street corner, drugs, children born out of wedlock).

Paradoxically, broad viewer interest in world affairs is declining from its modest Cold War heights just as U.S. global influence is reaching new levels as the result of several administrations' efforts to expand trade, businesses' need to expand overseas, and the global dominance of American popular culture, all driven by American leadership in the development and exploitation of new technologies. Today more Americans than ever before are working and traveling abroad, from CEOs to sales reps, students, and tourists. International trade is equal to about one-quarter of GDP.

Americans who see themselves as global players (or are merely curious about foreign affairs) find that more international information is available than ever before, from sources targeting smaller audiences. Satellites transmit daily television programs from Europe, the Middle East, Asia, and Latin America to niche and ethnic markets in the United States. One can choose from among on-line computer services or download volumes of free information and comment from sites on the World Wide Web. Television offers numerous business and financial channels and the all-news channels—CNN, which began broadcasting in 1980; MSNBC; and the fledgling Fox News—many of which operate around the clock. The Public Broadcasting Service's "NewsHour with Jim Lehrer" also maintains a journalistic sensibility attuned to international affairs, although it cannot provide much in the way of on-site coverage. National Public Radio and Public Radio International offer extensive international reporting for a fraction of the production costs required in television.

JOURNALISM'S BAGGAGE

More than the other news media, television is caught between the declining interest in international affairs and rising costs and competition. It is the most expensive medium for news, and production costs for international reporting are particularly high. A correspondent for a newspaper, magazine, press agency, or radio station or network is engaged in what is basically one-person journalism. He or she can travel to the scene of a story alone, cover it alone, write it up alone, and transmit it alone via telephone, fax, or E-mail.

Television is of a different organizational magnitude. The basic working unit in international television news consists of a correspondent, a field producer, a cameraperson, and a sound engineer, plus some 600 pounds of camera and personal equipment. If a report is to be prepared for satellite transmission, an editor and an additional 600 pounds of editing equipment come along. (Because American television's technical standards are incompatible with the systems the rest of the world uses, the networks must bring all their own equipment.) The cost of this journalistic caravan, including hotels, per diem expenses, car rentals, and local support staff, begins at around $3,000 a day. Airfare and excess-baggage charges can easily reach $12,000. Then there are "extras" like satellite fees. New digital technology, including smaller and lighter cameras and editing equipment, will

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eventually reduce costs, but there is no indication that the networks would use the savings to increase international coverage.

Network news divisions are currently spending up to $50 million a year on foreign coverage. While only a fraction of overall network news costs, this is an extremely exposed part of the budget at a time when the cost of television news is already under scrutiny. Advances in cable and satellite distribution systems have caused the broadcast news and information market to fragment, spawning fierce competition. Each of the new services competes for market share among attentive viewers who in the past had only the networks to watch if they wanted to feel informed. At any given moment each of the new channels may have an audience one-tenth or even one-twentieth that of an evening newscast. But together they have cut the networks' share of the television news market approximately 25 percent from the peak years, at the same time that the networks' overall market share has been eroding.

The decline has pushed network news producers to the apparently logical, if journalistically undesirable, conclusion that foreign news is expendable unless it is of compelling interest to a mass audience. The new litmus test at network news programs is whether viewers (in the producers' opinion) will instinctively "relate" to the story. As in other industries, as choice increases, power shifts from the producer to the consumer.

The drive to reduce overseas expenditures has also led to alliances among broadcasters and the growth of television news agencies. The exchange of news video provides worldwide coverage with greater cost efficiency but sacrifices the depth and perspective that an on-the-scene reporter can provide. It is at this juncture that the new competitive pressures collide with the journalistic ethos of the foreign correspondent as well as the expectations of viewers interested in international affairs.

The network news programs and, indeed, news programs in general ought to consider not only whether their response to market forces can sustain good journalism but whether it is a sound long-term business decision. The programs' producers can claim to be focusing on their customers, or at least the largest portion of them. The editorial downsizing, narrowing of focus, and increasing homogeneity of content, however, give viewers searching for broader exposure to the world even less reason to watch the programs. It is a slippery slope.

These days, a television broadcasting company will maintain a costly worldwide operation only if it has a news service that requires (and can help amortize) its international coverage for its audiences in the United States and abroad. The Cable News Network, with its separate domestic and international news services, falls into this category. The new MSNBC (a joint venture of software power Microsoft and NBC) and the Fox News Channel face the challenge of building major international news operations to match CNN. Among the Big Three networks, only ABC News has kept its overseas operation largely intact.

THEY REAP WHAT THEY SHOW

As a few of the most ambitious television news organizations expand internationally, a new shadow looms over the foreign correspondent. With the 1996 merger of Time-Warner and Turner Broadcasting,

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the parent of CNN, all the major American news divisions are owned by transnational corporations. The financial benefits are clear: Jack Welch, chairman and chief executive officer of NBC's parent company, General Electric, and Rupert Murdoch, who controls Fox, could provide heavy backing for their start-up news channels. Deep pockets count for a lot in the race to create global television empires. But the drive to penetrate new markets and build media imperia raises serious concerns for international reporting and broadcasting. Authorities in the countries on the receiving end often see the news beamed in as politically or culturally undesirable, even subversive. When interests clash, as they inevitably do, good journalism is likely to be sacrificed. The trend is already established.

Item: Australian media magnate Rupert Murdoch's purchase of the Hong Kong–based Star TV satellite system in July 1993 was the keystone of his strategy for dominating satellite broadcasting from the Pacific to the Middle East. The main attraction was China's booming economy and potential consumers. Star TV, however, carried BBC World, the British international television news service. Chinese authorities did not want the BBC's coverage, or that of any other autonomous television news service, entering China. Murdoch bowed to pressure from Beijing and dropped BBC news from Star.

Item: In July 1995 the Walt Disney Co. stunned the media world by buying Capital Cities/ABC. At the press conference announcing the deal, a reporter asked Disney CEO Michael Eisner how he viewed the synergy between the two companies. Eisner's response took on a global dimension: "There are many places in the world, like China, India, and other places, that do not want to accept programming that has any political content. But they have no problem with sports, and they have no problem with Disney kind of programming." Political content, however, is what much of news coverage is about, at ABC or anywhere else. Politics even enters the sports arena, as NBC discovered, and films, as Disney has been reminded. Last year Disney came under intense pressure from China not to release a Martin Scorsese film about the Dalai Lama that the Chinese government believed would be hostile to its claim to Tibet. Disney announced that it would not back down and abandon the film, but Beijing had fired a shot across the company's bow.

Item: At the opening ceremonies of the Olympic Games in Atlanta last summer, NBC Sports commentator Bob Costas angered the Chinese government with his remarks as the Chinese team marched into the stadium. Costas said, according to an NBC transcript, "Every economic power including the United States wants to tap into that huge potential market, but of course there are problems with human rights, property rights disputes, the threat posed to Taiwan." Costas also mentioned suspicions that performance-enhancing drugs could be behind some of the achievements of Chinese athletes. China's state-run media and its Foreign Ministry attacked Costas' comments. A month later NBC issued a statement apologizing "for any resulting hurt feelings." The statement continued, "The comments were not based on NBC beliefs. Nobody at NBC ever intends to offend anyone."

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But the Chinese government did not ease its pressure on NBC, whose owner, General Electric, and GE's partner in the MSNBC news channel, Microsoft, both have extensive commercial interests and ambitions in China. The Foreign Ministry declared, "Any news agency in the world should respect and comply with the most fundamental professional ethics and not produce reports which distort facts. It is hoped that NBC will draw lessons and make sure that there will be no recurrence of things like that."

Commercial and other pressures have long been known to have a chilling effect on the independence of reporters and their employers. Increasingly, it will be the foreign correspondent who feels the chill as she or he reports from countries where markets have become free before the flow of information has. Unlike the traditional publisher or owner with whom reporters and editors could discuss a sensitive issue after climbing a flight of stairs, the new owners, because of the vastness of their organizations, are distant physically and in their priorities. Censorship is not a new experience for foreign correspondents. But what they will face in nations whose leaders seek the profits and products of the global market without sacrificing political control can be as effective and more insidious: self-censorship. As GE tries to sell more jet engines to the Chinese, and Microsoft more software, how confident will NBC or MSNBC reporters feel about interviewing dissidents? If Disney builds a Disney World outside Shanghai or Hong Kong, will ABC News producers and reporters have second thoughts about taping an investigative report on corruption in the ranks of Chinese government and party officials? As NBC and Bob Costas can testify, these are no longer hypothetical dilemmas.

EVERYONE IS A REPORTER

The growing tension between journalistic and commercial priorities may never be fully resolved. But whatever direction events may lead journalists, the role of traditional news organizations is likely to shrink further. The flow of information from fax machines to the Internet and through other technologies already developed or still undreamed of will overwhelm efforts to control it. Today and in the future, anyone sending information from one country to another is a de facto foreign corespondent. The number of correspondents, accredited or not, will rapidly increase. Equipped with camcorders and computers, they will send out and receive more and more foreign dispatches. Even in countries where governments try to control the availability of video on the Internet, ingenuity and ever smaller satellite dishes will enable some, perhaps much, news and information to get through.

Given the global commercial and technological changes facing television news, in a world where almost anyone can be a foreign correspondent, what will be the role of the traditional bearer of that name? When the Internet and on-line services offer full-motion video, network newscasts will feel even less compelled to provide coverage of foreign events to a mass audience. But those interested in what is happening abroad will find a selection of information even broader and deeper than cable news channels now offer. Layering of information—video, sound, text, and graphics—will give the news consumer unprecedented

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choice, as well as editorial control. And the person providing that information could be a new type of foreign correspondent, or perhaps the old type with new means of communication.

Rather than dashing around the world to provide an on-screen presence, the correspondent will be judged on the quality and depth of knowledge he or she possesses. Foreign correspondents will have to be versatile and informed journalists who can write commentary for videotape as well as for print, knowledgeable specialists who closely follow a country, region, or topic and can appear on camera or on line to talk about it and respond to questions and comments. They will have to be able to communicate interactively with an audience whose members will be informed, engaged, and more demanding than the passive television viewers of today.

Those Americans who actively seek more knowledge about the rest of the world and how their country or business fits into it will be better served. Since they will likely be opinion makers—and voters—public discussion of foreign affairs could conceivably improve. Unfortunately, the debate would not include the broader public that is not plugged into the wider world.

What is being lost, or at least weakened, has long been forecast: the role of a few television network news organizations as a unifying central nervous system of information for the nation, and the communal benefits associated with that. Some may mourn the loss, especially those who grew up with network news. (More than half the audience for the evening network news programs is 50 or older.) Viewers and social critics may debate whether the gains accompanying the growing diversity and flexibility of news and information delivery outweigh the losses. But quite aside from the fact that nothing can be done to stop the technological advances, the benefits in choice and content are clear.

It is always tempting to ascribe a utopian future to societies that are being profoundly altered by new technologies. Still, for the fraternity of foreign correspondents, the forces of change could offer a road back to their traditional craft. The foreign correspondent of the future may wear the obligatory trench coat or safari jacket of yesteryear. But underneath it, she or he will have to possess a depth of expertise to satisfy the increasingly demanding, informed, and technologically equipped consumer of the information age.

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The Unraveling of Japan Inc.

Multinationals as Agents of Change

Michael Hirsh and E. Keith Henry

Japan is losing its Inc. The interests of Japan and its giant corporations, for so long the same, are diverging. The Mitsubishis, Toyotas, and Matsushitas—the pride of Japan's postwar rebirth—are joining the great multinational diaspora. During the 1990s, the nation's best companies have been shifting production overseas faster than ever before. And the trend is likely to become more pronounced: capital investment abroad, a precursor of offshore production, has grown at a blistering pace over the decade. According to the Bank of Japan's semiannual survey of business, annual growth rates broke into double digits only in 1993, but probably topped 30 percent in 1996, while capital investment at home has lagged far behind. Partly this is pure economics, a response to the high yen and the maturing of Japan's economy, as well as the ever stronger pull of the global marketplace. But the numbers also represent a stinging corporate rebuke to Tokyo. The message of the multinationals is this: The low productivity and growth of this over-regulated marketplace no longer work for us. Japanese firms across the board have seen dramatic deterioration in the break-even points and efficiency of their Japan-based operations.

CAPITAL LEARNS TO FLY

Today these companies must obey a new taskmaster—not Tokyo's fractured alliance of businesspeople, politicians, and bureaucrats, but a global marketplace that has become, for many key industries, merciless toward the provincial and unproductive. It is a marketplace changed utterly by lowered barriers to capital, goods, and services, by ever more complex and expensive technology requiring strategic alliances across borders—witness the "multimedia" melding of Japanese consumer electronics and American software—and by the rise of opportunities and would-be challengers everywhere as capitalism burgeons universally. Just as important, it is a marketplace in which a slew of new Asian "economic miracles" has emerged to take Japan's place as the

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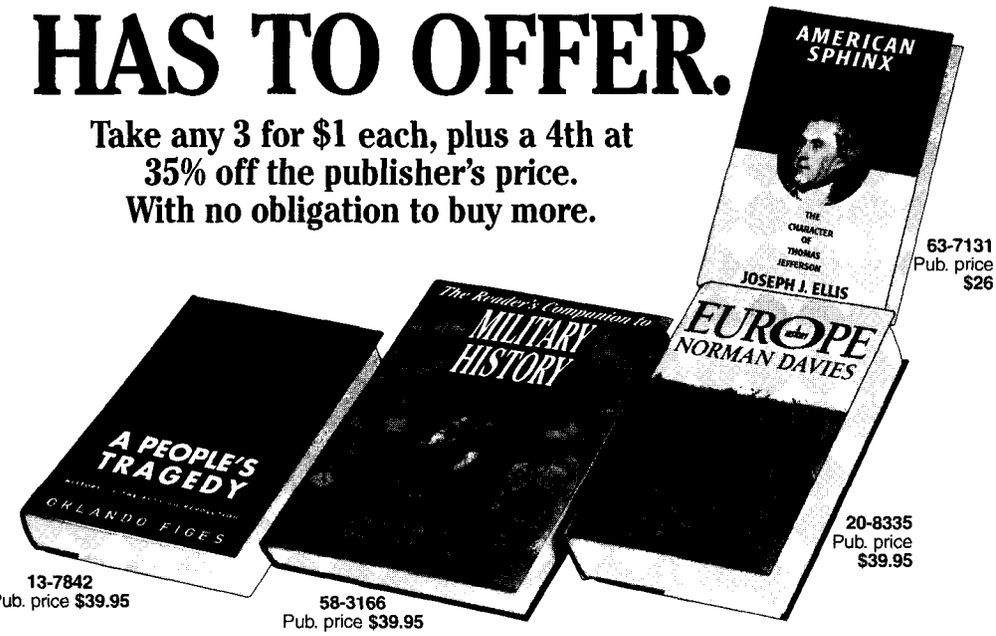

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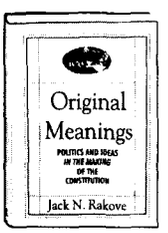

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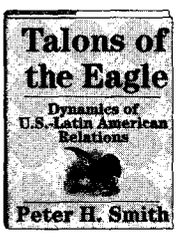

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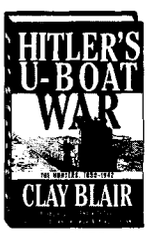

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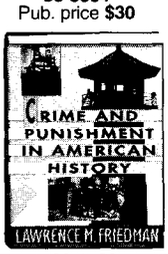

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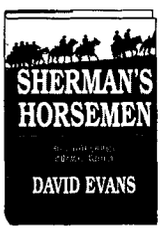

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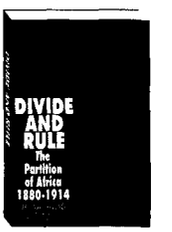

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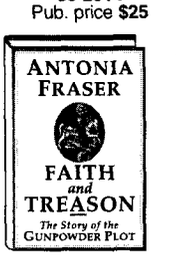

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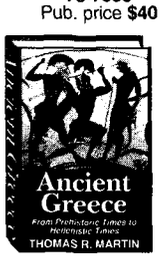

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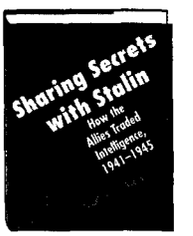

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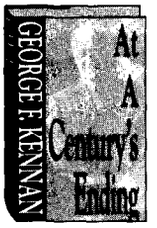

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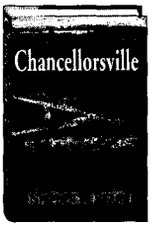

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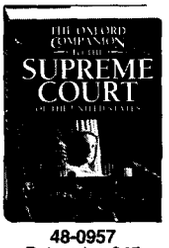

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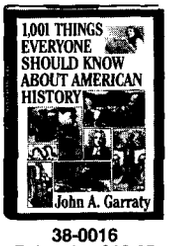

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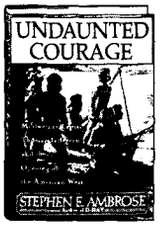

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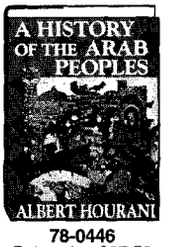

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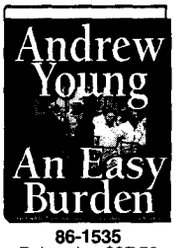

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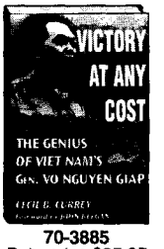

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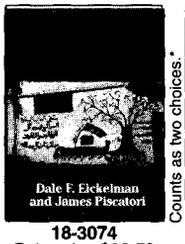

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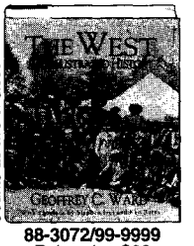

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low-cost producer of manufactured goods. Japanese companies, opening up daylight between themselves and the home economy, have identified their interests with these foreign economies (in Malaysia, more than four percent of GNP is derived from Matsushita alone).

What this means is that while many Japanese multinationals will remain world pacesetters, the Japanese economy as a whole may not. The domestic economy, for instance, has all but lost important industrial segments like color televisions, VCRs, facsimile machines, and cameras. Not so Japanese companies. In fact, their global market share in these segments has not budged, thanks to their manufacturing networks outside Japan, mostly in Asia.

Japan's economic success was based on a consensus that what was good for Toyota was good for Japan. But that neo-mercantilist system, knit together by cross-shareholding among companies and lifetime employment for workers, is unraveling. With scarcely concealed relief, Japanese multinationals are leaving a very different Japan behind them. It is not the vibrant dynamo of legend, which once flooded the world with its exports, but an aging doyen of economies that is choking on regulation and unable, to a serious degree, to generate entrepreneurial replacements for its best and brightest. The slow growth that comes of maturity—as well as the economy's giant size—means that Japan cannot simply export its way out of recession. Whizzing technological change and convergence have made a mockery of the government's bureaucratic division of markets. And in the era of the outsourced corporation and fast, flexible alliances, many *keiretsu* relationships seem more of an unpleasant obligation than a strategic edge.

RETHINKING JAPAN INC.

Only now, after five years of economic stagnation, has it become evident that the problems run deeper than a cyclical downturn. Among business executives there is something of a new consensus—against the rest of the system. A blue-ribbon panel of industrialists last year predicted that their manufacturing capacity in Japan will continue to lose competitiveness, a trend they blamed on globalization and the transfer of technology and skills abroad. They estimated that the number of workers in Japan's manufacturing sector, including autos and electronics, will drop by ten percent over the next three years. Their conclusion: Let's rethink Japan Inc. Japan's economic and social systems "have become largely ineffective and irrelevant," Shoichiro Toyoda, chair of Keidanren, Japan's most powerful business organization, observed bluntly in a newspaper column last summer.

This growing divergence between corporate, public, and private interests is probably the most important change in Japan in the 1990s. It is helping to alter the structure of the Japanese economy. And it should change the terms of the U.S.-Japan debate as well. Washington's most basic assumption about the "Japan problem" was always that Japan's corporate, public, and private interests were the same. The threat of Japan Inc. lay in the fact that these three sectors had united to create an export leviathan that, by the late 1980s, seemed certain to fulfill the vision of "Japan as number one" first laid out by Harvard's Ezra F. Vogel in a book of that title nearly two decades ago.

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COMPETITION COMES HOME

Last November Prime Minister Ryutaro Hashimoto began an ambitious reform program to downsize the primary author of that vision, Japan's bureaucracy. But Japan's corporate giants are no longer waiting for Tokyo to make painful adjustments. Increasingly, they are reassessing their stake in Japan Inc. and giving Japan less weight in their investment calculations. The bigger and more successful the company, the faster it tends to go abroad—which has only added to the aura of legitimacy around the abandonment of Japan Inc. Japanese investors on the Tokyo Stock Exchange, who once thought a bet on any company was safe, are now funneling their investments into multinational stocks and shunning the regulated sectors of the economy. By moving abroad gradually, Japanese companies can also circumvent the social taboo against layoffs and engage in slow-motion downsizing.

According to a 1996 Ministry of International Trade and Industry survey, in 1995 for the first time Japanese companies manufactured more overseas than they exported from home. The nation's Economic Planning Agency estimates that the ratio of overseas production to GDP, which hit a new high of 10 percent in 1995, will double by 2010, putting it nearly on a par with America's and surpassing Germany's, which hovers between 15 percent and 20 percent. The companies of the Tokyo Stock Exchange had 20 percent of their total productive capacity overseas in 1995, and that figure should jump to 22 percent for 1996. Most of the transfer has been to Asia; since 1993, well over half of Japan's foreign direct investment in manufacturing has landed there. Corporate Japan has hired more than 500,000 employees in the region, while unemployment in Japan reached a 40-year high.

Corporate Japan's outward expansion has had repercussions at home, further breaking down the business alliances that have characterized Japan Inc. As cheaper goods manufactured in Asia by Japanese multinationals have been sold in Japan, they have transformed the way consumers shop and retailers and producers do business. Consider the television industry. It was one of the first to be tempted by the effects of high yen appreciation and the appearance of lower-cost manufacturing bases in the rest of Asia. A massive transfer of capacity increased the "reverse" import share of color TVs in the domestic market from less than 10 percent in 1990 to more than 50 percent in 1995. The sudden availability of huge numbers of lower-priced TVs boosted sales by almost 20 percent in 1995 but triggered *kakaku hakai,* a retail price collapse fed by the increasing discount fever of strapped Japanese consumers. The drop in domestic prices caused a drastic reduction in margins for producers and retailers alike (for the latter, from 30 percent in 1992 to less than 15 percent today). That in turn compelled the sellers to sell more and more units, further pushing down prices in an endless spiral. Such cutthroat competition is unwinding the old cartelized relationships between manufacturers, wholesalers, and retailers—the price-it-high-at-home-and-dump-it-abroad system that is the heart of Japan Inc. For decades, consumers' willingness to pay high prices at home subsidized industry's relentless seizure of market share abroad.

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PENALTIES OF PIETY

Nothing epitomizes the new era so well as the alliance announced last fall between Matsushita and Japan's maverick retailer, Daiei. For years Daiei has alienated some of its biggest manufacturers by selling cheap. In 1964 Matsushita began a 32-year boycott of Daiei when the retailer tried to sell its products at a discount, threatening the 27,000 Matsushita-sponsored mom-and-pop outlets nationwide, which always sold at uniformly high prices. Because Matsushita must now increase volume to counter its ever-decreasing margins, it apparently no longer feels it can support its family of retailers. In December the two companies announced that Matsushita products would be sold at all 245 high-volume Daiei outlets. Matsushita's wholesalers have fared no better; their numbers have been slashed from 60 nationwide to just seven.

Notwithstanding the continuing pressure on corporations to maintain a large proportion of production in Japan, it is increasingly clear that companies that follow the old rules will suffer. Take Casio and Pioneer. In 1984 the two companies had similar balance sheets in terms of cash flow and return on equity. Then their strategies diverged. In response to the dramatic surge in the value of the yen in 1985, Casio began to shift manufacturing to Southeast Asia in a big way. Today its factories outside Japan account for nearly 80 percent of its manufactured product sales. Meanwhile, it has maintained high-value-added production in Japan through enormous investments in flat-panel displays and digital imaging technologies. Casio now has dominant market share in digital cameras worldwide and a significant stake in LCD pocket calculators and related electronic components, which it produces outside Japan. Pioneer, on the other hand, was slow to move production abroad; today less than 20 percent of its manufacturing is overseas. As a result, its strategy of remaining a diversified electronic component and audio-visual equipment manufacturer has lagged, punished by increasingly lower returns on investment. This translates directly into job losses—pointing up the futility of bowing to social pressures to keep production at home. In September Pioneer announced the attrition of 800 more jobs in 1997. During the 1990s, the profit margins of corporate Japan's Asian operations have averaged 5 percent, considerably higher than domestic plants, which average a little more than 3 percent.

CULTURAL INDETERMINISM

Corporate flight from the national nest is just another means—if a faster one—by which Japan's economy is maturing. As with U.S. companies, corporate Japan's movement abroad began with mere plants where Japanese-made parts were assembled, moved to outright manufacturing, and then graduated to transplanting whole cottage industries of suppliers. Today Japanese companies go abroad not to circumvent trade restrictions or ease frictions, which was the case when they built factories in the United States and Europe in the 1980s, but rather to escape their economy.

In this era of globalized markets, the process has been turbo-charged. New markets are not just opening at the usual rate, they are springing up everywhere at once. Some three billion people have been thrust into capitalism since the end of the Cold War, with tens of thousands of state

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companies privatized. Multinationals can no longer afford merely to export to these markets; they must be on the scene to compete with budding local rivals.

Production itself has become transnational. In emerging high-tech industries, multinationals must collaborate much more closely than before to create value. In fact, mixing and matching nationalities is almost an imperative for many strategic alliances—witness the rise of long-distance phone partnerships like Concert (MCI and British Telecom) and Global One (Sprint, Deutsche Telekom, and France Telecom). Or consider multimedia, which cuts across the traditional (and, in Japan, heavily bureaucratized) boundaries dividing computers, telecommunications, electronics, entertainment, and film.

For these reasons, as well as the stubborn inefficiencies of Japan Inc., the transnationalization of Japan's companies is likely to happen faster than that of America's. Indeed, the growing discontent at home with the Japanese model has parallels worldwide. For the first time in history—far more so than the pre-1914 era of globalized economies—a truly multinational set of norms for corporate behavior is emerging. Almost no one talks about "Japanese" or "American" business styles much anymore, as was the vogue in the 1980s. The best practices of each country have been digested after a decade of intensive global bench marking. Few Japanese are unacquainted with the legend of Bill Gates, who has become the new icon of success in Japan, a figure of almost MacArthur-like awesomeness, even as there is hardly an American manager who has not taken up *kaizen,* or continuous process improvement, and just-in-time inventorying. And no company in an especially international industry like computers, autos, or finance can afford not to reorganize its divisions along global product lines.

CO-PROSPERITY FEARS

What do all these corporate transformations mean for U.S. policy toward Japan? Mainly, U.S. trade negotiators must digest the implications of the globalization of Japan's multinationals. Three decades of trade negotiations should have taught them that it is extremely difficult to alter Japan's fundamental economic structures at the negotiating table; the marketplace is a much better forum. The United States should identify and apply pressure at the points in Japan where change is occurring because of the unwinding of old alliances.

Japan's major concession last April on pension industry deregulation, for example, was more the result of the rebellion of Japan's multinational manufacturers than of pressure at the bargaining table. Although Japanese life insurance firms howled that they sacrificed too much after the conclusion of talks to open their domestic market last fall, hard-pressed Japanese multinationals saw deregulation as essential to introducing international competition to Japan's financial sector, which has yielded abysmal returns. In fact, straddling the two worlds of a still somewhat insular Japan and a global marketplace, Japanese multinationals may have become their nation's principal trade diplomats. In two other major negotiations with Washington in the past two years, on autos and semiconductors, it was Japan's private sector that saved the day, hatching face-saving agreements at the eleventh hour that have helped bring U.S.-Japanese tensions to their lowest level in years.

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Having created tens of thousands of jobs in the United States, Japanese companies have also acted as benign tutors to an American public that is far more sophisticated about trade than in the Japan-bashing 1980s, as Pat Buchanan found out to his dismay in his bid for president. While Detroit has squawked about Japanese incursions for decades, Americans have largely benefited. Total U.S. auto industry employment, at 993,000, is 11 percent higher today than in 1965, before Japan's onslaught—in part due to U.S.-based Japanese plants. And few would disagree that, thanks to competition from the likes of Honda, Nissan, and Lexus, Detroit now makes much better cars. Little wonder that Japan-bashing no longer cuts it as a campaign issue, and that while foreign investment in the United States is at all-time highs, scarcely a peep of nationalistic backlash has been heard.

Japanese companies, even the multinationals, will likely always be a little more insular than the rest, if for no other reason than linguistic and cultural differences. But for them, the lesson of the 1990s is that the forces of globalization are far more powerful than Japan Inc., and if there is one thing that characterizes a classic Japanese businessman, it is pragmatism. Japanese companies in Asia, for instance, were once alleged to guard their best technology jealously and permit other Asians only an assembly line–level knowledge. But in 1993, according to the 1996 annual survey of Japan's Management and Coordination Agency, they began exporting more technology than they imported for the first time since World War II. In 1995 corporate Japan's technology exports jumped 21.6 percent, while imports rose by only 5.7 percent.

Corporate Japan's integration into Asia has helped create a true "co-prosperity sphere" there. Washington must now address the economic threat, if indeed there is one, as a pan-Asian, not a Japanese, problem. But that seems unworkable: Asian countries often do not see eye-to-eye with their Japanese partners, as Asia-Pacific Economic Cooperation forum meetings in recent years have made plain.

The end of Japan Inc. will not mean the end of the nation's economic strength. It will remain a wealthy and stable economy and society. And if Hashimoto's reforms work, Japan's multinationals may look to reinvest back home—in a deregulated economy. Rather than controlling things, the erstwhile leaders of Japan Inc. will increasingly find themselves caught in the middle of national squabbles over budget cuts in an era of diminishing expectations—a fate not too different from that of policymakers in Washington.

In most trade disputes with Japan, the United States can afford to let the World Trade Organization work things out, or badger and cajole it when it fails, rather than resort to draconian, trade-war-threatening measures like the Super 301 countervailing tariff provisions of U.S. trade law. China Inc., far more than its sclerotic Japanese predecessor, seems to be the main problem these days. Meanwhile, far more attention should be paid to the behavior of individual multinationals, whether Japanese or American, and their observance of norms and laws affecting the environment, labor practices, and human rights. But let us not forget that to the extent that Japan is at long last abandoning its international anomie, and becoming part of the world, its multinationals are leading the way.

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Essays

LE GARSMEUR/IMPACT/ZUMA

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The Coming Conflict with America

Richard Bernstein and Ross H. Munro

THE RISING ASIAN HEGEMON

For a quarter-century—indeed, almost since Richard Nixon signed the Shanghai Communiqué in 1972—a comforting, even heartwarming notion has prevailed among many policymakers and experts on American policy toward the People's Republic of China. They believe that China will inevitably become more like the West—non-ideological, pragmatic, materialistic, and progressively freer in its culture and politics. According to them, China is militarily weak and unthreatening; while Beijing tends toward rhetorical excess, its actual behavior has been far more cautious, aimed at the overriding goals of economic growth and regional stability.

While this vision of China, and especially its diplomatic and economic behavior, was largely true until the middle to late 1980s, it is now obsolete, as it ignores many Chinese statements and actions that suggest the country is emerging as a great power rival of the United States in the Pacific. True, China is more open and internationally engaged than at any time since the communist revolution of 1949. Nevertheless, since the late 1980s Beijing's leaders, especially those

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Richard Bernstein is a *New York Times* book critic and was *Time* magazine's first Beijing Bureau Chief. Ross H. Munro was Beijing Bureau Chief for the Toronto *Globe and Mail* and is Director of the Asia program at the Foreign Policy Research Institute. This article is drawn from their recent book, *The Coming Conflict with China*.

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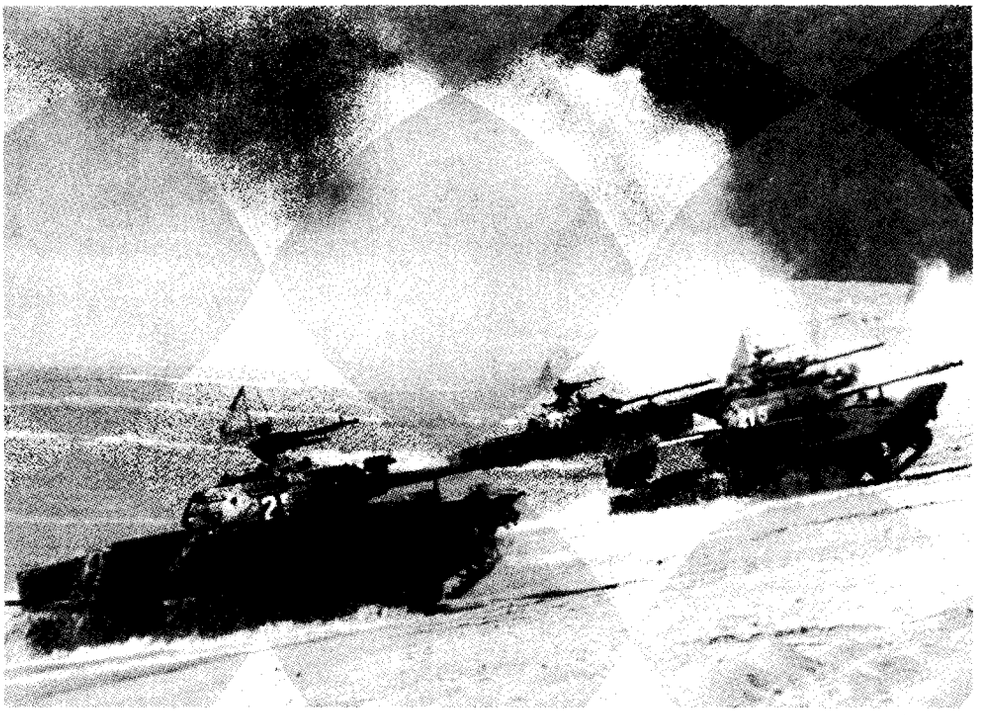

ARCHIVE PHOTOS/XINHUA

Chinese amphibious tanks participate in mock seizure of Taiwan, November 1995

who have taken over national policy in the wake of Deng Xiaoping's enfeeblement, have set goals that are contrary to American interests. Driven by nationalist sentiment, a yearning to redeem the humiliations of the past, and the simple urge for international power, China is seeking to replace the United States as the dominant power in Asia.

Since the late 1980s, Beijing has come to see the United States not as a strategic partner but as the chief obstacle to its own strategic ambitions. It has, therefore, worked to reduce American influence in Asia, to prevent Japan and the United States from creating a "contain China" front, to build up a military with force projection capability, and to expand its presence in the South China and East China Seas so that it controls the region's essential sea-lanes. China's sheer size and inherent strength, its conception of itself as a center of global civilization, and its eagerness to redeem centuries of humiliating weakness are propelling it toward Asian hegemony. Its goal is to ensure that no country in the region—whether Japan seeking oil exploration rights in the East China Sea, Taiwan inviting the Dalai Lama for an official visit, or

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Thailand allowing American naval vessels to dock in its ports—will act without taking China's interests into prime consideration.

TACTICALLY TACTFUL

CHINA AND the United States have, to be sure, been through phases of friendship and tension, with some of the latter unrelated to China's hegemonic goals. At times relations have soured because of inconsistent American policies, especially on human rights and trade matters, that have irritated China's leaders and produced a nationalistic reaction among intellectuals and ordinary Chinese alike. China's current leaders understand the value of stable relations with Washington and under the right terms will accept, as President Jiang Zemin recently did, a resumption of the ceremonies of high-level exchanges.

But China's willingness, even eagerness, to improve the Sino-American mood represents a tactical gesture rather than a strategic one. Since its setback in the Taiwan crisis of early 1996—when China's decision to stage large-scale military exercises in the Straits of Taiwan during Taiwan's presidential election drew harsh criticism from the international community and led the United States to deploy two aircraft carrier task forces to the region—Beijing has tempered its confrontational rhetoric and retreated from some of the actions that most annoyed Washington. China's deference reflects its continued interest in the burgeoning trade and technology transfer relationship with the United States and its hope of quelling anti-Chinese sentiment in Congress and among the American public. When Jiang Zemin comes to Washington in the next year or two, many Americans will likely regard the visit as a sign of a restored sense of common interests. Influential Chinese planners like General Mi Zhenyu, vice-commandant of the Academy of Military Sciences in Beijing, on the other hand, will see it as the next step in bringing China's strength and influence up to par with the United States. "For a relatively long time it will be absolutely necessary that we quietly nurse our sense of vengeance," Mi wrote last year. "We must conceal our abilities and bide our time."[1]

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[1] *Megatrends China*, Beijing: Hualing Publishing House, May 1996.

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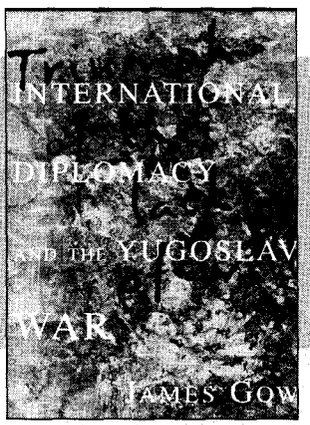

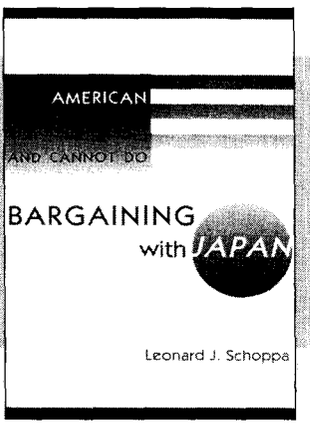

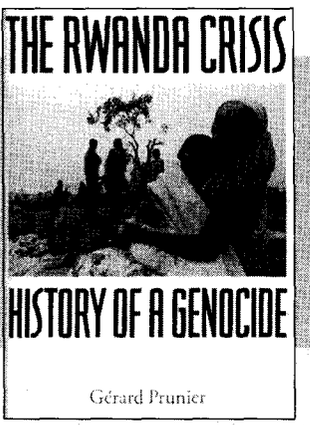

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China's goal of achieving paramount status in Asia conflicts with an established American objective: preventing any single country from gaining overwhelming power in Asia. The United States, after all, has been in major wars in Asia three times in the past half-century, always to prevent a single power from gaining ascendancy. It seems almost indisputable that over the next decade or two China will seek to become the dominant power on its side of the Pacific. Actual military conflict between the United States and China, provoked, for example, by a Chinese attempt to seize Taiwan by force or to resolve by military means its territorial claims in the South China Sea, is always possible, particularly as China's military strength continues to grow.

China and the United States will be adversaries in the next major global rivalry.

Even without actual war, China and the United States will be adversaries in the major global rivalry of the first decades of the century. Competition between them will force other countries to take sides and will involve all the standard elements of international competition: military strength, economic well-being, influence among other nations and over the values and practices that are accepted as international norms. Moreover, the Chinese-American rivalry of the future could fit into a broader new global arrangement that will increasingly challenge Western, and especially American, global supremacy. China's close military cooperation with the former Soviet Union, particularly its purchase of advanced weapons in the almost unrestricted Russian arms bazaar, its technological and political help to the Islamic countries of Central Asia and North Africa, and its looming dominance in East Asia put it at the center of an informal network of states, many of which have goals and philosophies inimical to those of the United States, and many of which share China's sense of grievance at the long global domination of the West. Samuel Huntington of Harvard University has argued that this emerging world order will be dominated by what he calls the clash of civilizations. We see matters more in the old-fashioned terms of political alliance and the balance of power. Either way, China, rapidly becoming the globe's second most powerful na-

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tion, will be a predominant force as the world takes shape in the new millennium. As such, it is bound to be no strategic friend of the United States, but a long-term adversary.

MIGHT LEANS RIGHT

ONE COMMON view of China holds that its integration into the world economy will make it more moderate and cautious in its foreign policy and more open and democratic at home. But the alternative view sees China's more aggressive behavior of the last five years as a consequence of its growing economic and military strength and as linked to its intensifying xenophobic impulses. China's more modern economy and its greater economic influence are already giving it the power to enhance its authoritarianism at home, resist international dissatisfaction with its policies and practices, and expand its power and prestige abroad in ways hostile to American interests.

China's ability to resist and ultimately beat back efforts by the Clinton administration to protest Chinese human rights abuses by withholding most-favored-nation status is a case in point. While complaining bitterly about the American use of economic pressure for political goals, the Chinese applied powerful economic and political pressure on both the United States and elsewhere—notably in Europe and the United Nations—to force President Clinton to retreat from his earlier position. The irony in Sino-American relations is that when China was in the grip of ideological Maoism and displayed such ideological ferocity that Americans believed it to be dangerous and menacing, it was actually a paper tiger, weak and virtually without global influence. Now that China has shed the trappings of Maoism and embarked on a pragmatic course of economic development and global trade, it appears less threatening but is in fact acquiring the wherewithal to back its global ambitions and interests with real power.

Many factors contribute to China's more assertive stance, not least its sense of being Asia's naturally dominant power—an attitude that has not been lost on some regional leaders. As former Singaporean Prime Minister Lee Kuan Yew recently put it, "Many

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medium and small countries in Asia are uneasy that China may want to resume the imperial status it had in earlier centuries and have misgivings about being treated as vassal states having to send tribute to China as they used to in past centuries." More immediate and concrete shifts in China's strategic attitude can be traced to major events of the late 1980s and early 1990s that increased the power and prestige of China's conservative nationalists and the military, a power shift exacerbated by the incapacitation of paramount leader Deng Xiaoping, who tended to exert a pro-American and moderating influence.

The first of those events was the Tiananmen Square demonstrations of May and June 1989. The rise of a powerful anti-party movement convinced Chinese Communist Party conservatives of the need to maintain stricter control over the country's intellectuals and to "strike hard" (in the current anticrime campaign parlance) against dissenters. Concurrently, the collapse of the Soviet Union removed China's main regional security threat and increased, virtually overnight, China's comparative power in Asia. More important for the conservative-nationalist faction, Mikhail Gorbachev's attempted reform program was taken in Beijing as a powerful negative example, an illustration of the mortal danger to party authority posed by piecemeal liberal political reforms. The third event, the Gulf War, had, as David Shambaugh of George Washington University put it, a "jarring effect" on the People's Liberation Army, whose power and prestige had increased dramatically in the wake of Tiananmen and Deng's enfeeblement. The war demonstrated in the most graphic terms imaginable just how far behind the country was in terms of military technology. "This was the PLA's first exposure to a high-tech war, and they were stunned," Shambaugh has written. Their shock led them to press for a rapid and expensive modernization of China's armed forces, including further nuclear testing and long-range-missile development. The Chinese understood that they would have to master the techniques demonstrated by the Americans if they were to pose a credible threat of their own, whether in the disputed areas of the South China Sea or in any eventual expedition to "liberate" Taiwan.

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THE NUMBERS GAME

NOTHING COULD be more important in understanding China's goals and self-image than its military modernization program. China's official position, which is given credence in many Western analyses, is that its primary goal is to develop a world-class economy while maintaining a defensive military force. The official annual defense budget of $8.7 billion—compared to the $265 billion spent annually by the United States or even the $50 billion spent by Japan—seems to support that claim. In reality, almost every major study of Chinese military spending, whether conducted by the U.S. Government Information Office or the International Institute for Strategic Studies, has concluded that actual spending is at least several times Beijing's official figure.

The official budget, for example, does not include the cost of the People's Armed Police, even though it consists mostly of former soldiers demobilized to reduce the size of the army and serves as a reserve available for use in an international conflict. The official budget also excludes nuclear weapons development and soldiers' pensions. When the Chinese purchased 72 SU-27 fighter jets from Russia in 1995 for about $2.8 billion, the entire amount was covered by the State Council and was not deemed a defense expenditure.[2] The official numbers also exclude the cost of research and development. Part of the funding for the development of nuclear weapons, for example, comes from the Ministry of Energy budget, and part of the money for aircraft development comes from the Ministry of Aeronautics and Astronautics Industry. Beijing also excludes proceeds from arms sales, which totaled nearly $8 billion between 1987 and 1991 alone, as well as income from businesses and industries owned and operated by the army, which, with unknown and largely unaccounted-for resources, has quietly become a major player in the global economy.[3]

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[2]June Teufel Dreyer, "Chinese Strategy in Asia and the World," paper prepared for the First Annual Strategy Forum Conference on China, U.S. Naval Academy, Annapolis, Maryland, April 27-28, 1996.

[3]Chong-Pin Lin, "Chinese Military Modernization: Perceptions, Progress, and Prospects," paper given at the American Enterprise Institute Conference on the People's Liberation Army, Staunton Hill, Virginia, June 17-19, 1994, p. 11.

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Realistic analyses of China's defense budget (or those of any other country's, for that matter) must also take into account purchasing power parity—the difference between what something would cost in China and what it would cost elsewhere. As much as 68 percent of Chinese expenditures, from soldiers' salaries and pensions to weapons systems and supplies, which the PLA purchases at artificially low state-set prices, cost a fraction of their equivalent American value. Taking all these factors into account, a conservative estimate of China's actual military expenditures would be at least ten times the officially announced level. In other words, China's real annual defense budget amounts to a minimum of $87 billion per year, roughly one-third that of the United States and 75 percent more than Japan's. Moreover, the figure was 11.3 percent higher in 1996 than in 1995, and 14.6 percent higher in 1995 than in 1994. Even adjusting for inflation, that is still an exceptionally high rate of growth. No other part of the Chinese government budget has increased at a rate anywhere near that, whether adjusting for inflation or not.

It is true, as the more optimistic analysts point out, that China poses little direct military threat to the United States. But comparing the two countries to highlight Chinese shortcomings is a pointless and misleading exercise, and not only because China's actual military expenditures are a moving target. Whatever the exact figures, China is now engaged in one of the most extensive and rapid military buildups in the world, one that has accelerated in recent months even as China's rhetoric has softened and Beijing has moved to improve its ties with the United States. Driven by its setback in the Taiwan crisis last year and disturbed by the awesome power of the two American aircraft carrier task forces dispatched to the waters near the Straits of Taiwan, China has stepped up its efforts to acquire two capabilities: a credible Taiwan invasion force and the capacity to sink American aircraft carriers should the United States interfere militarily in the China-Taiwan issue.

Even before the Straits of Taiwan incident, China was acquiring airborne early warning technology in Europe and Israel and developing its own in-flight refueling techniques to extend the range of its warplanes. Since the incident, it has sealed a deal with Russia to acquire two destroyers equipped with modern cruise missiles. In the past several years, China has acquired SU-27 fighter-bombers and Russian Kilo-class submarines. In the last three years, China has built

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34 modern warships on its own and developed a fleet of M-9 and M-11 mobile-launched missiles of the sort fired near Taiwan during the crisis. It has also expanded its rapid reaction force from 15,000 to 200,000 men and built an airfield in the Paracel Islands and an early warning radar installation on Fiery Cross Reef in the Spratlys. China is the only Asian country to deploy nuclear weapons and the world's third-largest nuclear power in terms of the number of delivery vehicles in service, having surpassed Britain and France by the late 1970s.[4]

As time passes, in other words, it will become far riskier for Washington to preempt Chinese aggression with the kind of overwhelming show of force made during the Straits of Taiwan crisis. With the largest army, navy, and air force in Asia, China spends more both relatively and absolutely than any of its neighbors, with the possible exception of Japan, whose modern forces are untested and whose operations could be severely hampered by pacifist leanings at home. In short, China's relative strength gives it the ability to intimidate regional foes and win wars against them. If it continues its rapid military modernization, China will soon become the only country capable of challenging American power in East Asia—and only the United States will have the influence to counterbalance China's regional ascendancy. Moreover, China's goals go a long way toward explaining its tactical attitude toward its relations with the United States, where an annual trade imbalance approaching $40 billion has helped China finance its arms acquisitions. China's mercantilist policies, which include large-scale technology transfers from American sources and the purchase of dual-use technologies in the American market, are likely to become a major source of Sino-American conflict as Beijing grows stronger.

A DEMOCRATIC PEACE?

OF COURSE, if China became a democracy its military build-up would be far less threatening than if it remained a dictatorship. But while the forces pushing toward global democracy are probably too powerful for China to remain unaffected by them forever, there is no reason to believe that China will become democratic in the near

[4]Ibid., p. 11.

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future. In the first place, that would be contrary to Chinese political culture. In its entire 3,000-year history, China has developed no concept of limited government, no protections of individual rights, no independence for the judiciary and the media. The country has never operated on any notion of the consent of the governed or the will of the majority. Whether under the emperors or the party general secretaries, China has always been ruled by a self-selected and self-perpetuating clique that operates in secret and treats opposition as treason.

China's leaders will not relinquish their monopolistic hold on power.

For there to be real democratic reform, the bureaucrats in and near that clique would have to relinquish some of their power, and there is no sign that they are ready to do so. Receiving personal benefits from political power is a Chinese tradition, whether the benefits involve a state-maintained harem, servants provided by the state, or a Mercedes-Benz donated by a Japanese or overseas Chinese businessman in exchange for an import license. The bureaucracy will not voluntarily relinquish such perks for the sake of democratic principles imported from the West.

Moreover, China's leaders are probably sincere in their equation of democratic reform with social chaos. China has made great strides in creating a more prosperous life for tens of millions of its people, but it remains a potentially unstable nation where the gap between rich and poor is growing, restlessness and unemployment are rampant, and rising expectations have turned the minds of many. The population seems to be at once happy with rising standards of living and discontented with corruption, crime, petty abuses of power by local officials, and the precariousness of life without the guarantees the state once provided. China's leaders, facing the prospect of social uprisings, are sure to stress patriotic solidarity and unquestioned leadership. They cannot be counted on to relinquish their monopolistic hold on power.

Finally, for China's government, subjecting itself to the popular will would mean abdicating its control in areas where it feels the national interest allows no such loss. If, for example, Tibet were to be governed by democratic principles rather than diktat from Beijing, the Tibetan

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people would create an independence movement that would challenge Chinese control. Similarly, democracy in China would force China's leaders to acknowledge the right of the people of Taiwan to decide the shape of their own future. But granting any such power to the Taiwanese would sabotage China's nonnegotiable insistence on reunification. It would also provide an unwanted precedent for the people of the mainland: if the Taiwanese are consulted on the issue of their political identity, why not the rest of the people of China? China's ruling clique shows no willingness to suffer the loss of power and prestige that a move toward real democracy would entail.

The most likely form for China to assume is a kind of corporatist, militarized, nationalist state, one with some similarity to the fascist states of Mussolini or Francisco Franco. China already has a cult of the state as the highest form of human organization, the entity for whose benefit the individual is expected to sacrifice his or her own interests and welfare. The army is emerging as the single most powerful institution in the country. It has ultimate political authority and has created a large number of influential business enterprises. Unlike the Soviet Union, China is not becoming a powerful military power founded on a pitifully weak economy, but a powerful economy creating a credible military force. It promises to be a state based on the continued rule of a disciplined party that controls information and demands political obedience.

Completing this picture of China is a wounded nationalism, a sense of unredeemed historical suffering, and a powerful suspicion of foreigners. Given the decline of ideology and the passing of the country's charismatic leaders, the government encourages and exploits such sentiments in an effort to enhance its legitimacy and control. When those sentiments prove insufficient to maintain order, the army and the leaders can turn to a vast, intrusive security and police system operating in close cooperation with a compliant judiciary to maintain their undisputed power.

TAIWAN'S DIRE STRAITS

THE GENERAL conditions for Sino-American conflict spring from China's desire to replace the United States as Asia's great power. But there is another, more immediate potential flashpoint: the complex and intractable problem of Taiwan. The Taiwan situation com-

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prises two irreconcilable elements: the people of Taiwan do not want to be ruled by the current Beijing regime, but Beijing has made reunification too important a goal to relinquish. As China grows militarily and the regime runs out of patience, the possibility of an invasion increases. As one Chinese foreign affairs specialist in Beijing told us, "Historically, Chinese leaders have believed in force. Force worked in Tiananmen. It intimidated the intellectuals, and that paved the way for economic growth and political stability. It is realpolitik. And in the Chinese value system, sovereignty, national unification, and preserving the regime have always been higher than peace."

If China invades Taiwan, the United States will be under enormous pressure to prevent a military takeover—or else lose forever its claim to be the great-power guarantor of stability in the Asia-Pacific region. Taiwan thus epitomizes the challenge that China's greater assertiveness and determination to dominate Asia pose for the United States. But there are other places where China's actions and the United States' interests could conflict, the South China Sea being the most obvious. China's buildup of naval, air, and amphibious forces will enable it to seize and hold control of almost the entire South China Sea, now divided between Vietnam, Malaysia, Brunei, and the Philippines. Indeed, China's stated goal is to occupy islands and outcroppings so far to the south that Chinese forces would almost be in sight of Singapore and Indonesia. That would place China astride the only viable international sealane connecting the Pacific with the Indian Ocean. If China succeeded in extending its control over Taiwan, it would simultaneously gain control of the two southern approaches to Japan, the Taiwan and Luzon Straits. There are signs in articles and statements from Beijing that China increasingly views Taiwan as a strategic prize as well as a renegade province.

Conflict is possible even in areas where China and the United States share interests, as with preventing trouble on the Korean peninsula. When Korea is finally reunified, as it almost surely will be, China will likely press for a withdrawal of American forces from northeast Asia, save for troops in Japan to inhibit remilitarization. As long as Korea remains divided, China will accept the American mil-

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itary presence there to avoid a peninsula-wide war. But once that danger has passed, China will use its influence in northeast Asia for two purposes, both of them inimical to American interests: to bring about a pro-Chinese, anti-American, and anti-Japanese stance in Korea, and to perpetuate Japan's status as a non-normal country, one without the right to assume primary responsibility for its own defense. China could thus assure its predominance in Asia vis-à-vis the only country in the region with the size and strength to challenge it.

THE NEW STRATEGIC TRIANGLE

THE PRIMARY American objective in Asia must be to prevent China's size, power, and ambition from making it a regional hegemon. Achieving that goal requires maintaining the American military presence in Asia and keeping it vastly more powerful and effective than China's armed forces. Furthermore, preventing China from expanding its nuclear weapons arsenal should clearly be an American goal. In the worst-case scenario, Sino-American relations would witness the reappearance of a nuclear standoff reminiscent of the Cold War, with each side relying on the doctrine of mutually assured destruction to prevent an attack from the other. In fact, China has numerous incentives to avoid a nuclear arms race. The United States should play a quiet but effective role in building international pressure to persuade China to make its current moratorium on nuclear weapons testing permanent. Washington should also actively fight against nuclear proliferation in China and elsewhere. The third element in maintaining a balance of power involves Taiwan—specifically, ensuring that it maintains a credible defensive deterrent such that reunification, should it occur, would be voluntary.

The growth of Chinese power has made America's overarching attitude toward Japan obsolete. The United States can no longer operate on the assumption that a weak Japan is a good Japan. If that was once true, it was only because China was poor and weak. In the post-Cold War world, it is Japan's weakness that threatens peace and stability by creating a power vacuum that the United States alone can no longer fill. A strong Japan, in genuine partnership

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with the United States, is vital to a new balance of power in Asia. A weak Japan benefits only China, which wants no stabilizing balance of power but Chinese hegemony, under which Japan would be little more than Beijing's most useful tributary state.

The difficulties here are considerable. The United States cannot block Chinese hegemony in Asia unless Japan is an equal and willing partner in the process. But if it pushes Japan, the result could well be an anti-American reaction there. Resolving that dilemma might be the single most important task of American diplomacy in the near future. The United States must demonstrate that it is a reliable ally—as it did last spring in the waters near Taiwan—while waiting for Japan to come to grips with an increasingly threatening security environment. China's determination to achieve hegemonic status in Asia will probably facilitate this. But the United States and Japan must realize they need each other.

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Beijing as a Conservative Power

Robert S. Ross

NEITHER BELLIGERENT NOR BENIGN

RECENT DISCUSSION of Sino-American relations has focused on the development of a U.S. policy for managing a rising power and potential rival. The debate over containment versus engagement is at the center of this discussion. Advocates of containment foresee the rise of a belligerent power, a process that will inevitably destabilize Asia and challenge vital U.S. interests. Arguing that a powerful China will be intent on achieving a long list of unrealized territorial and political ambitions, they insist that the United States must respond to China's rise by strengthening its alliances on the Chinese periphery and increasing U.S. military deployments in Asia. Advocates of engagement agree that China is growing stronger but argue that Chinese intentions remain fluid and that premature adoption of belligerent policies risk creating a self-fulfilling prophecy—treat China as an enemy and it will be one. They assert that expanded economic relations and official dialogues on security issues, human rights, and the global commons will maximize the prospect that China will use its power in a manner conducive to U.S. interests.

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The difference between these two policy packages is significant, but they share a concern for China's increasing ability to destabilize the regional balance of power and threaten vital American interests. In both cases, this concern is based on incorrect assumptions about Chinese strategic capabilities. The reason there is not a "China threat" is not because China is a benign status quo power, but rather because it is too weak to challenge the balance of power in Asia and will remain weak well into the 21st century. Nonetheless, China is not a second-rate power. It has the ability to inflict considerable damage on a wide range of U.S. interests.

The United States needs a policy to contend with China's potential for destabilizing the region, not a policy to deal with a future hegemon. What is most striking about Chinese foreign policy is its effort to consolidate regional trends and promote stability. In its policies toward Russia, North and South Korea, Thailand, Burma, and the countries of Indochina, Central Asia, and South Asia, China has emphasized cooperative measures to consolidate existing relationships rather than forceful measures to promote new patterns of relations. China is a revisionist power, but for the foreseeable future it will seek to maintain the status quo—and so should the United States.

BALANCING ACT

In the late 1980s, the People's Republic of China emerged as one of the most powerful countries on the East Asian mainland. It had established its strategic authority on the Korean peninsula in the early 1950s, when it held the U.S. military to a standstill and inflicted unacceptable casualties on American soldiers. Since then its capabilities in northeast Asia have grown, giving it a strong voice in peninsular affairs. After the demise of the Soviet Union and the disintegration of the Russian armed forces, China established conventional military control along the full length of its border with Russia and projected a powerful presence throughout the region. What is most striking about this development is that the United States and its allies have accommodated themselves to Chinese power in northeast Asia. Because of a continued U.S. regional presence, America's allies have not considered China's strategic power a threat to the regional balance.

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China has also established superiority in Indochina with the acquiescence of the United States. Indeed, the United States welcomed China as a substitute for American power in Indochina throughout the 1970s and 1980s. In an era of declining U.S. capability, the Nixon Doctrine explicitly called for American reliance on regional powers as counterweights to the U.S.S.R. In Indochina and much of Southeast Asia, China was the regional power of choice. Washington was grateful for Beijing's ability to reassure Thailand against the Soviet Union and Vietnam in the wake of its withdrawal from the Vietnam War. Throughout the 1980s Washington supported Chinese efforts to roll back Soviet influence in Southeast Asia by helping the Khmer Rouge to resist the Soviet-sponsored Vietnamese occupation of Cambodia.

In 1989, when the Vietnamese military finally withdrew from Cambodia, Indochina fell within China's strategic sphere of influence. Having ousted the French, the Americans, and the Russians, China no longer confronts a rival in this region. As in northeast Asia, America and its allies accommodated themselves to China's preeminence. Neither the United States nor its traditional partners in Southeast Asia have considered the substitution of Chinese strategic dominance for Soviet power a challenge to their vital security interests.

Chinese strategic authority on mainland East Asia is a long-established characteristic of the region's balance of power. Since the early 1970s, it has not elicited fears of Chinese regional hegemony or calls for China's containment. On the contrary, East Asia's status quo is widely considered an appropriate foundation for a stable regional order. Concern over a Chinese challenge to the regional balance of power—the most vital U.S. interest in East Asia—must focus on the rise of Chinese power beyond the mainland and into the maritime regions of East Asia. Specifically, it must focus on China's ability to become a military power in the East China Sea or the South China Sea.

CHINA AT SEA

China's authority in the East China Sea relies on airpower. Its proximity to the East China Sea allows it to use land-based airpower to influence naval activities in the region. But China's air force remains a primitive war-fighting machine. Its inventory is composed

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mainly of 1950s- and 1960s-generation aircraft. While China is working to develop modern planes, its most advanced domestically produced fighter, the F8-II, is the equivalent of a late 1960s U.S. warplane. Even this primitive plane has yet to enter fully into operation. Besides American airpower, China must also contend with the Japanese air force, one of the most advanced in the world. Japanese production of the F2 fighter jet will assure it of defensive air superiority over the East China Sea for the foreseeable future. Moreover, Japanese aircraft are armed with air-to-air missiles far more advanced than their Chinese counterparts, and they enjoy the support of advanced AWACS aircraft and other sophisticated defense technologies. Add to this imbalance in air capability Japan's large fleet of advanced surface warships, its vastly superior technological base, and its self-restraint in defense spending as a share of GNP, and it becomes clear not only that China cannot dominate the East China Sea, but that it is not even a player in the naval balance. Recent acquisitions of Soviet SU-27s, a late 1970s fighter jet, fail to alter this reality since China cannot offset Japan's indigenous ability to manufacture 21st century aircraft. Should a Sino-Japanese arms race develop, Japan could easily augment its superiority in regional waters.

Chinese power could also destabilize the South China Sea, which comprises two distinct military theaters. Its northern reaches include the waters east of Vietnam and the Paracel Islands, territory contested by China, Vietnam, and Taiwan. Here, absent outside influence, Chinese military modernization and arms imports can make a difference. Because this part of the South China Sea is within range of Chinese land-based aircraft, improved Chinese capabilities would challenge Vietnam's ability to defend its coastal waters and its claims to the Paracel Islands. But such a development would merely reinforce current trends in Sino-Vietnamese relations, not destabilize the existing order.

The southern reaches of the South China Sea, including Malaysia, Singapore, Indonesia, and the Philippines, comprise another distinct military region, well beyond the reach of China's land-based aircraft. Air support for Chinese ground forces and naval vessels in the distant waters of the South China Sea would require carrier-based air support. Even air refueling of SU-27s is

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insufficient. Air refueling is complex and does not enable aircraft to loiter over distant waters, providing around-the-clock support for troops and surface vessels deployed near potential adversaries. The Chinese navy would lose a battle in this region against Singapore, Malaysia, or Indonesia, all of which possess advanced American or British aircraft. This fact explains the evident willingness and ability of these countries to occupy Chinese-claimed islands in the South China Sea. Indonesia, for example, has used a show of force to warn China from contesting its claim to the economic zone surrounding Natuna Island.

Chinese power projection cannot be purchased abroad.

Despite common fears, China's possession of the Spratly Islands would not offset its poor power projection capability. The Spratly Islands are not strategically significant. They are either underwater much of the time or are too small to support the logistical support for naval operations and the deployments required to protect such support from an adversary's aircraft. The military reality of the Spratly Islands is that they are easy to occupy but difficult to hold. Defending them would drain, not enhance, China's power projection capability.

China will need aircraft carriers to become a great power in the distant waters of the South China Sea, capable of challenging America's influence in the maritime countries of Southeast Asia and its access to the region's strategic shipping lanes. It is not clear that China could meet such an enormous challenge. Construction and deployment of an aircraft carrier requires the most modern technology, advanced pilot skills, and astronomical funding. Moscow did not deploy its first true aircraft carrier until after the Cold War. China is far from possessing the power plant, avionics, and metallurgy technologies required to manufacture a plane that can take off and land on an aircraft carrier in any weather. Its pilots have minimal training over blue water and little experience flying without ground control. Its systems engineers cannot manage the logistics of supplying resources to a carrier and its half-dozen support vessels, the equivalent of a small city at sea. The expense of outfitting a carrier group would require China to skew its defense procurement toward naval power or divert significant resources from important civilian infrastructure projects.

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Power projection cannot be purchased abroad. Not only would the expense be prohibitive, requiring import of aircraft carriers, appropriate aircraft, and high-technology avionics, but the necessary managerial expertise is not for sale. Moreover, there are limits to what countries will export to China. Obsolete sample carriers from France, for example, may become available, but the hardware for full power projection can only be developed indigenously.

Despite the obstacles and costs, China might still decide to build an aircraft carrier. Experts estimate that if China began today, the vessel would become operational between 2005 and 2010. And that would be only one carrier. The U.S. Navy estimates that keeping one carrier on location at all times requires a fleet of three. China could not build a third carrier until approximately 2020. Due to inferior managerial skills and logistical facilities, China would probably need more than three carriers to keep one on location in the distant regions of the South China Sea. Moreover, these first-generation Chinese carriers would be half the size of an American carrier, deploying aircraft inferior to those currently deployed by the maritime Southeast Asian countries, much less those deployed by the United States on its far larger and more sophisticated vessels.

Finally, even if China does pursue significant military advancements, its rivals will not be standing still. Given its head start and cooperation with Japan and other regional allies, the United States could maintain its current defense posture and the South China Sea would remain an "American lake" well into the 21st century. But the United States continues to modernize all branches of its military. In developing power projection capability, China would risk a U.S.-Japanese arms buildup, leaving itself relatively weaker, while diverting scarce funds from more pressing military objectives, such as securing its coastal waters.

CHINA'S WILD CARD

DESPITE ITS technological and military backwardness, China can still heighten regional instability by threatening U.S. forces, exacerbating local conflicts, and refusing to cooperate with international regimes, thus requiring the United States to commit additional resources to defend its interests.

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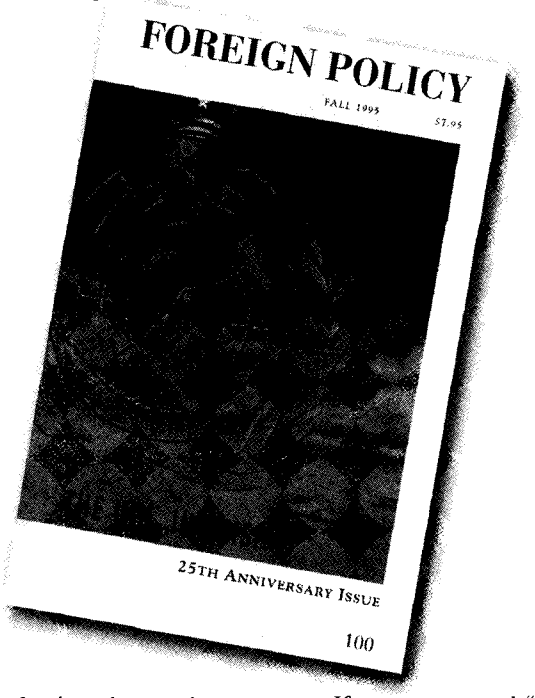

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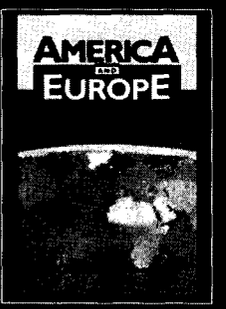

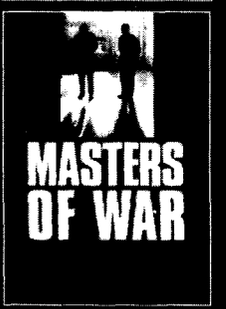

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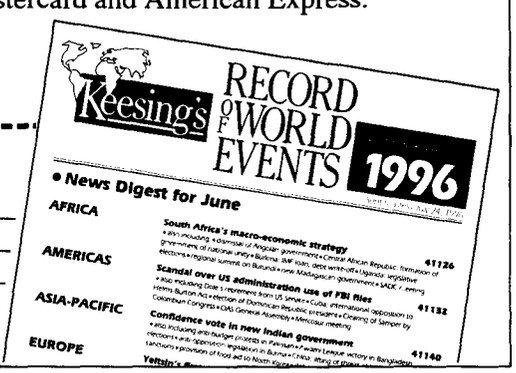

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China is dissatisfied with many aspects of East Asian politics, Taiwan's independence foremost among them. Reunification with Taiwan is a nationalist objective that reflects Beijing's intent to restore China's dynastic borders and conclude the civil war between the Chinese Communist Party and the Chinese Nationalist Party. Taiwan is thus a sensitive issue in succession politics. China's interests in Taiwan also reflect its objective of establishing secure borders. Located less than 100 miles off the Chinese coast, Taiwan truly can serve as an "unsinkable aircraft carrier." As in the 1950s, it can be employed by an adversary to undermine Chinese security. In this respect, its geopolitical significance is similar to Cuba's importance to the United States. Thus, Chinese leaders actively challenge Taiwan's flexible diplomacy and any indication that it can secure international support for a formal declaration of independence. They are intent on minimizing Taipei's foreign policy independence and ultimately establishing mainland control over Taiwan. As Chinese military maneuvers in March 1996 revealed, they are prepared to worsen regional tensions to promote this objective.

> The South China Sea will remain an "American lake" well into the next century.

Taiwan is only the most prominent of China's territorial objectives. Beijing rejects Japan's territorial claim to the Diaoyu (Senkaku) Islands, Vietnam's claim to the Paracel Islands, and the claims by Vietnam, Malaysia, the Philippines, and Brunei to the Spratly Islands. It also has a territorial dispute with Vietnam over the demarcation of the Gulf of Tonkin. There is considerable potential for exploiting natural resources, including oil, particularly in the disputed waters in the northern sector of the South China Sea. China insists that it is the rightful claimant to these territories and that its neighbors are taking advantage of its military weakness to infringe on Chinese sovereignty. Territorial ambitions, domestic political instability, and desire for recognition as a regional power encourage Chinese leaders to resist these perceived challenges.

China is a constant threat to engage in weapons proliferation. As a regional power, it has minimal national interest in stability in the Middle East and northern Africa. Hence, it has little incentive for arms control or to forgo profits from weapons or technology exports. Should Chinese leaders decide to maximize profits, disregard

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U.S. threats of sanctions, and provide missiles to Syria or unsupervised dual-use nuclear technologies to Iran, they could foster regional arms races and embroil the United States in regional conflicts. A resumption of Chinese nuclear testing would undermine America's effort to ban nuclear tests entirely. China could also destabilize the international liberal trade order. Should it develop a mercantilist economic policy or fail to reform its trading system, China could damage global trade more than Japan at the height of its global economic power.

Beijing can use military power to destabilize Taiwan and regional politics. China had a similar ability in the 1950s, when its shelling of the offshore islands caused a crisis in Sino-American relations. Similarly, Chinese missiles can threaten U.S. naval vessels. But this capability is shared by the most primitive militaries, including those of Iran and Argentina. As Iraq showed during the 1991 Persian Gulf War, even a 1960s Scud missile can disrupt local economies and menace U.S. forces. Indeed, the gravest danger posed by China's 1996 missile tests was their obsolescence: the missiles were so primitive that they could have veered off course and hit Taiwan. America must be concerned by Chinese military power not because China will develop hegemonic power but because it can raise the cost of defending American interests and spoil the prospects for a cooperative regional order.

CHINA'S CONSERVATIVE FOREIGN POLICY

CHINA'S ABILITY to wreak havoc is not new to East Asia. Since 1949 the United States has had to cope with U.S.-Chinese conflicts of interest. In many respects, it is easier to deal with these conflicts today than ever before. Indochina is no longer an issue. China is collaborating with South Korea to encourage North Korean moderation. Even the conflict with Taiwan has become more manageable. Taiwan now has a stable government, a prosperous economy, and a vastly improved military. The mainland's ability to challenge Taiwan's security is less today than ever before. Moreover, the mainland is no longer allied with a global superpower that can shield it in a conflict with the United States over Taiwan. Nor is it an antagonist in a polarized East Asian balance of power. Participation in the

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global economy and a stake in regional stability encourage China to avoid confrontations with the United States over Taiwan.

Despite cooperative relations with almost all of its neighbors in Asia, Chinese foreign relations have not been perfectly harmonious. But the friction does not reflect Beijing's restlessness. It is true that China's Taiwan policy contains significant coercive elements and that Beijing has not relinquished its right to use force against the island. But China's intent is to deter Taipei and Washington from changing the status quo, not to compel Taiwan to expedite the pace of formal reunification. Beijing has made clear that it is prepared to return to the rules that governed U.S.-Taiwan-mainland relations prior to 1994, when Washington did not allow Taiwan's senior officials to visit the United States but supplied it with large quantities of advanced weapons. The friction in Sino-American relations since June 1989 has stemmed primarily from bilateral trade relations, U.S.-Taiwan relations, and American criticism of China's human rights record. Moreover, China has acquiesced to U.S. pressure regarding weapons proliferation. With the exception of its security relationship with Pakistan, since the end of the Cold War Beijing has not exported any missiles in violation of international agreements, nor has it exported technology for use in nuclear reactors not under the International Atomic Energy Agency's supervision.

China's relationship with Japan has become more difficult, but this primarily reflects changes in Japanese politics. Japan's development of a competitive multiparty electoral system has politicized its policy toward Taiwan and Sino-Japanese territorial disputes and promoted linkage between Japanese aid and China's human rights record. Japan has also become a more confident country, less willing to abide Chinese demands that it maintain a low international profile as penance for its military expansionism in the 1930s and 1940s. During the 1996 dispute over the Diaoyu (Senkaku) islands, China adopted a cautious policy, waiting for Japanese policy to change after the November general elections.

The striking exception to this conservative trend is the Spratly Islands. Since the mid-1970s, China has been trying to diminish the impact of the South China Sea territorial disputes on its relations with the countries in the Association of Southeast Asian Nations. Since the early 1990s, it has advocated cooperative economic ventures in the disputed waters and shelving of the sovereignty disputes. But

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in early 1995 Beijing expanded its control of territory also claimed by the Philippines, arousing heightened concern throughout the region. This action remains an anomaly in China's relations with the ASEAN countries. It is too early to say whether this incident reflects a new trend in Chinese policy or a brief digression designed to deter widespread land seizures in Southeast Asia.

Since the early 1980s, the world's major industrial economies have been eager to participate in Chinese modernization. The prospect of China's economic growth and greater domestic employment has encouraged them to expand trade and investment ties with China. They have also been willing to extend considerable foreign aid and technical assistance through bilateral and multilateral institutions. The accompanying technology and capital transfers have played an important role in modernizing Chinese industry and stimulating economic growth. Beijing realizes that conservative international behavior was the precondition that encouraged the advanced industrial countries to participate in China's economy. They also realize that provocative policies risk ending China's economic success story.

A stable regional order is conducive to Chinese ambitions insofar as it allows Beijing to focus its domestic resources on the economic foundations of strategic power. The growth of the Chinese military budget since the late 1980s has been significant, if only because it has allowed China to import advanced Russian weaponry. Recent increases in the military budget partially reflect high inflation affecting soldiers' salaries and the cost of consumer goods purchased by the Chinese military. Nonetheless, estimates of the overall size of China's military budget indicate that China's defense spending remains relatively low, both as a share of gross national product and compared with the spending of other great powers.

THE LUXURY TO ENGAGE

THUS FAR, post-Cold War international relations have not hardened into opposing blocs. The opportunity still exists to establish a stable international order. But the sine qua non of such an order is Chinese participation in its creation. Chinese leaders remain committed to seeking constructive relations with all their neighbors. Given the

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costs that China can impose on America and its allies, U.S. policy should take advantage of that posture to reinforce China's interest in regional stability and strengthen its commitment to global stability. Engagement, not isolation, is the appropriate policy.

Engagement must mean more than simply offering China the opportunity to follow the rules. It requires acknowledging Chinese interests and negotiating solutions that accommodate both American and Chinese objectives. In bilateral relations, this will entail compromise approaches over the future of Taiwan. It will require mutual accommodation to prevent nuclear proliferation on the Korean peninsula and accommodation of Chinese interests in Sino-Pakistani security ties. Washington must acknowledge the economic sources of trade imbalances and the Chinese government's limited ability to enforce its domestic laws and international commitments.

Engagement also requires multilateral collaboration with Chinese interests. The United States and the other major powers must invite China to participate in international rule-making. This includes encouraging Chinese membership as well as leadership responsibilities in various arms control regimes, including the Missile Technology Control Regime, the Zangger Committee, and the Nuclear Suppliers Group, which regulate nuclear-related exports, the Australia Group on chemical precursors and biological agents, and the Wassenaar Arrangement, the successor to the Coordinating Committee on Multilateral Export Controls, which tracks trade in conventional weapons and technologies. It also entails admitting China into the World Trade Organization on terms that reflect both U.S. concern for China's significant influence in the international economic system and the less-developed conditions of China's domestic economy.

Engagement will not be easy. For it to succeed, China must be willing to accommodate important U.S. interests in controlling proliferation of all kinds of weapons, whether or not proscribed by international regimes, in regions where the United States has vital interests, including the Middle East. China will have to make a formal commitment to reform its economic system and sustained efforts to enforce its international economic commitments. It will also have to make allowances for American domestic conditions and political values, especially as they affect U.S. economic policy and human

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rights diplomacy. Finally, China will have to use its leadership responsibilities wisely, seeking to consolidate a broadly beneficial international society, rather than striving for unilateral gains at the expense of international stability.

There is no guarantee that engagement will work. It will often involve acrimonious negotiations as the two sides make difficult policy adjustments and seek compromise solutions. At times, Washington will have to protect its interests unilaterally. It will also have to maintain its current military deployments in Asia. U.S. strategic retrenchment would do far more to alter the Sino-American bilateral balance of power and the regional balance of power than any combination of Chinese military and economic policies. But it is also clear that reliance on purely coercive measures will not elicit Chinese cooperation. Rather, it would almost guarantee renewed tension in Sino-American relations and heightened instability in East Asia. Given the strategic head start the United States and its allies enjoy, Washington has the luxury of observing Chinese modernization before adopting a more assertive posture.

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Tony Blair and the New Left

Anne Applebaum

A NEW DIRECTION FOR BRITAIN?

He has been feted in Britain and abroad; denounced as the Stalin of the British left and hailed as its savior; profiled, interviewed, and investigated by the British press, the foreign press, and the tabloid press. But to my mind the phenomenon of Tony Blair, the man who became leader of the British Labour Party in the spring of 1994 and is now the leading contender to become Britain's next prime minister, is best illuminated by a conversation that took place in the lobby of the German parliament. A member of the Green Party was describing to me the impression Blair had made during his 1996 trip to Germany. Practically the whole of the Bundestag had heard him speak, she said: "What really excited us was this new idea of reinventing the left. Tony Blair is reinventing the left." I asked her what exactly that meant, the reinvention of the left. She winced slightly, and paused. "I don't remember any of the details, exactly," she replied, "but this reinvention of the left is very important."

It would be hard to find a better illustration of the feelings that Blair inspires. He undoubtedly interests people, in Britain and perhaps even more so in the rest of Europe. He even seems to many to be the harbinger of a whole new kind of European politics, a 21st-century politics: he himself speaks frequently of transcending left-right divisions, of leaving old ideas of party loyalty behind. In the three years he has been leader of Britain's opposition, he has galvanized his party, rejuvenated its supporters, and mounted the first serious challenge to the Tories since 1979, something that previous Labour reformers like Neil

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Kinnock and John Smith never managed. After losing four consecutive general elections over seventeen years, Labour could very well win the next one, which the current Conservative government must call by the end of May. Nevertheless, there are lingering doubts about the details: who is Tony Blair, what exactly would he do if he became prime minister, and what does it mean to reinvent the left in a post-Thatcherite Britain and a post-communist Europe?

The importance of that last question has frequently eluded American commentators who write about Blair. That is because unlike America's Democrats, the British Labour Party was genuinely socialist. Its members believed in a planned economy and nationalized industry, preferred state housing projects to private developments, and thought a "fair" society could be created with taxes as high as 90 percent of income. Many of them, including some of the party's leaders, still think that way. A member of the Labour Party's shadow cabinet once told me that the privatization of British industry in the 1980s was only a phase: "There are fashions for these things. At the moment, nationalization is out of fashion. Who knows, 20 years from now, it might come back in again." It is precisely because the Labour Party's belief in socialist economic solutions has long been so strong that any attempt to alter it must have an equal intellectual force. Since he became his party's leader—indeed, since long before he became its leader—Blair has tried to muster that intellectual force, both to exorcise Labour's socialist instincts and to replace them with something new.

Although he is frequently compared with Bill Clinton, Tony Blair's political position is different from Clinton's in that the first of his tasks—transforming his party—was a genuine struggle. Clinton easily reinvented the Democrats as a centrist party: they were centrists already. But Blair has had to reassure Conservative voters that the Labour Party is no longer "dangerous" to the British economy while simultaneously preserving his base among Labour socialists. He began by demonstrating that his personal break with socialism is complete. Writing in the *Daily Telegraph*, a newspaper historically linked to the Conservative Party, Blair declared that he admires Margaret Thatcher for her reinvention of the right nearly 15 years ago, an unthinkable sentiment for any previous Labour leader. During his first year in office Blair waged a surprisingly hard-fought campaign to rid the Labour

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constitution of its notorious "Clause 4," which proclaimed the goal of "securing for the workers by hand or by brain the full fruits of their industry, and the most equitable distribution thereof that may be possible, upon the basis of common ownership of the means of production, distribution, and exchange." Although he replaced it with a somewhat anodyne call for "a dynamic economy . . . a just society . . . an open democracy . . . a healthy environment," he made his point: the Labour Party has changed.

British tabloids describe Blair as "smarmy," and the label has stuck.

Still, when the history of Britain's Labour Party is written, the real break from socialism will probably be dated from January 20, 1997, the day that Gordon Brown, Labour's shadow chancellor of the exchequer, announced that a future Labour government would not raise personal income taxes during its first term in office—and would not increase public spending for its first two years in office. With that statement, which took most of the Labour Party by surprise, nearly two decades of Labour attacks on "Tory cuts" and the "unfair Tory tax system" fell by the wayside, along with more than four decades of socialist assumptions: Brown was telling not only the voters, but the nursing, teaching, and public sector unions who support the Labour Party that a Labour government's top priority would not be spending. Hardly surprising, then, that last year, when their own polling revealed that most voters do indeed believe Tony Blair is different from his predecessors, even Tories gave up trying to identify him with his party's socialist past. They instead invented a new slogan: "New Labour, New Danger."

Nevertheless, the more important part of Blair's mission—explaining what will replace socialism—remains unfulfilled. If opinion polls register opposition to the Tories, they also register quite a bit of confusion about what the Labour Party now believes. Worse, many people still think that Blair is untrustworthy or insincere, or that he stands for nothing at all. British tabloids describe him as "smarmy," and the label has stuck.

Some of this confusion would have arisen with any effort to change the left. On one hand, Blair has discarded his party's belief in managed markets and nationalized industry, and even some aspects of the welfare

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state previously considered sacrosanct, including the absolute right to public housing; even his pledge to restrict spending would have been unthinkable in the past. On the other hand, he continues to reject British right-wing philosophies of individualism and what he describes as "unfettered" capitalism. What he is left with is a firm but ill-defined belief in the power of the state not only to regulate society but to improve it—albeit without spending any money. As Blair himself said in an article in the *Sunday Mirror* in 1994: "Labour's vision is of a Britain that is not just a collection of individuals but a society where a decent community backs up the efforts of individuals within it. That change can't come through market forces. It needs active government, local and national."

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But "belief in the state" or in "active government" does not by itself provide enough definition to satisfy most voters, particularly those accustomed to the partisan gunfight that is British politics. To some, Blair's talk of community and society still sounds like the language of the old Labour Party. When he throws around words like "responsibility" and "entrepreneurship," on the other hand, he appears to others to have borrowed Tory language wholesale. The truth is that Blair and his colleagues have advocated a strikingly wide range of policies. Some grossly contradict one another, some complement one another, and some appear to have been floated simply to gauge public reaction before being discarded. On rare occasions one set of ideas appears to dominate and is hailed as the philosophy designated to replace socialism.

Over time, however, the dust has settled. It now seems as if it is precisely the contests and contrasts between policies and philosophies that define both "new Labour" and the reinvention of the left. There is no ideology or framework, or even a big idea. There is only a list of perceived problems—the damage that globalization supposedly inflicts on British communities, the need to reverse the "short-termist" instincts of British capitalism and transform corporate culture, the need for welfare reform, "modernization," and radical constitutional reform—and an elaborate rhetoric that describes a modest set of proposed solutions.

STAKING THE LEFT'S CLAIM

PERHAPS THE most interesting of those solutions is Blair's stakeholder economy. Blair first used the term "stakeholder" in a speech before an audience of businesspeople in Singapore in January 1996. He began by voicing his admiration for the achievements of the "Asian tigers," then said he wanted the same thing in Britain: "The creation of an economy where we are inventing and producing goods and services of quality needs the engagement of the whole country. It must be a matter of national purpose and national pride . . . The economics of the center and center-left today should be geared to the creation of the stakeholder economy which involves all our people, not a privileged few."

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In Britain the speech was acclaimed by Blair's friends in the media as the philosophical breakthrough the Labour leader had been groping for. Andrew Marr, now editor of *The Independent*, wrote that Blair had started to "turn the intellectual tide." Not only had he found a credible new role for the state, but he was "able to distinguish new Labour's program from the Tories in ways that made sense." Stakeholding was hailed as Blair's new response to the shortcomings of free-market capitalism. Socialism was to be replaced by Asian-style corporatism—or, to put it differently, Anglo-Saxon free-market capitalism was to be replaced with something more controlled, more continental.

There was one small difficulty: the term "stakeholding" was not new. A number of left-leaning economists and journalists had used it before, and all of them leaped to take credit for Blair's Singapore speech. Many thought stakeholding implied reforming the composition of company boards and the laws governing them, a change that would ensure that the many different groups who have a stake in a company's operations—investors, workers, consumers, suppliers—are properly represented. The British journalist Will Hutton, whose best-selling book *The State We're In* contained a chapter entitled "A Stakeholder Economy," had called, for example, for state involvement in pension fund investments, the incorporation of trade unions and banks into the constitution of a firm, and regulations forcing banks to make more long-term loans.

Stakeholding policies also have a price tag. Immediately after Blair's Singapore speech, the Tories issued a press release in which they claimed that his proposals would place more financial burdens on employers and businesses. People demanded an explanation of what exactly Blair meant by a stakeholder economy. Would he change corporate law? Would he change trade union law? As soon as the questions became penetrating, Blair backed off, claiming that his ideas were far more general. Since then he has been cautious about how he uses the word. In a speech that he delivered at a public meeting in Derby only ten days after the Singapore speech, the stakeholder economy was variously defined as "giving power to you, the individual," as "giving you the chances to get on and so help Britain get on too," and as "giving opportunities for all." No specific policies were mentioned.

Blair insists that he stands by the speech, but when pressed he confesses only to a belief that companies ought to be asked to do more,

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voluntarily, for their workers. The word "stakeholding" has also faded from his vocabulary. It was absent altogether from his speech at the Labour Party convention in October, traditionally the Labour leader's most important speech of the year.

CAUTIOUS OR VACUOUS?

THE "STAKEHOLDING" episode revealed a pattern in Blair's pre-election politics: make strong proposals, allow them to be picked up and mulled over by the press, retreat if the criticism is too harsh. The charitable explanation for such behavior is that Blair fears his ideas will be twisted and exaggerated during the traditionally nasty campaign season leading up to the general election. Given that Labour has lost four elections running, the last thing he wants to do is frighten voters. The less charitable explanation is that Blair doesn't really know what he believes—or that he claims to believe different things at different times, depending on his audience.

The latter explanation has certainly been applied to another strand of Blairism, his tendency toward what Americans might recognize as communitarian thinking. Some might also call it paternalism; the unsympathetic would call it authoritarianism. Asked directly, Blair will agree that he is interested in communitarianism and has read communitarian writings, but shies away from plainly identifying himself with the philosophy—just as he shies away from plainly identifying himself with any philosophy. Nevertheless, he has employed the language of communitarianism in his speeches. "For myself," he said in a speech at Southwark Cathedral in January 1996, "I start from a simple belief that people are not separate economic actors competing in the marketplace of life. They are citizens of a community. We are social beings, nurtured in families and communities and human only because we develop the moral power of personal responsibility for ourselves and each other." What made that speech interesting was that Blair did not then continue (as his predecessors would have) by describing what the rich owe the poor, or what the state owes its citizens.

In fact, rather than talking about what the state can give to people, Blair adopts the kind of language that British conservatives normally use, speaking of duties and responsibilities that come with rights and

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rewards. In the same speech, Blair went on to say that "the key is to recognize that we owe a duty to more than self. Responsibility applies from top to bottom of society, from the responsibility to pay taxes to fund common services, to the responsibility of fathers to their children after a divorce, to the responsibility of people to respect the lives of their neighbors."

That, at any rate, is the theory. In practice, this new emphasis on the needs and duties of community has resulted in a different Labour attitude toward law-and-order issues and some neighborhood and family topics that might once have seemed beneath the dignity of a national politician. Blair first hinted at a change of direction in the annual *Spectator* magazine lecture, which he delivered in March 1995, an address best described as his "noisy neighbors" speech. Announcing that "duty is the cornerstone of a decent society," he condemned noisy inhabitants of public housing developments, calling for their eviction or the confiscation of their stereos: "Families have the right to be housed but they do not have any right to terrorize those around them, be it with violence, racial abuse, or noise. If tenants do not fulfill their side of the bargain, the contract is broken." Using similar language, Blair has called for curfews for youths, penalties for parents who do not assure that their children attend school, and more homework. In these and other areas, he often sounds a great deal like Bill Clinton, who is also interested in communitarianism and curfews.

Blair is trying to signal a change of direction, a change of heart in his party.

In fact, the two men advocate similar causes for similar reasons: both are trying to signal a change of direction, a change of heart in their respective parties. In the past, the Labour Party was not much interested in discussing the unpleasantness of life in Britain's deteriorating public housing developments and state schools, preferring to complain that there were not enough public housing developments and state schools to begin with. In the past, Labour leaders did not interest themselves in noise but in "social justice." In the past, the Labour Party concerned itself with the economic rights of the public, not people's duty to the community.

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The noisy neighbors speech was also the first of several in which Blair found new uses for the state in discouraging behavior that is not criminal, but antisocial. Early this year he caused a stir by suggesting that he rarely gave money to beggars, who, he implied, really ought not to be on the streets at all. Jack Straw, his shadow home secretary (in Britain, the home secretary is responsible for crime and immigration policy) is a vocal fan of New York City's crackdown on "squeegee men" and minor vandalism and has discussed the possibility of removing drunks from London parks. Straw has also issued a report on parenting, and muses aloud about the lack of information available to parents from government sources, especially compared with the wealth of information about driving cars.

Unlike stakeholding, these paternalist policies have stuck: his law-and-order speeches have probably been Blair's most popular and successful. The British public is already familiar with such ideas; the right wing of the Conservative Party and parts of the Tory press advocate similar ones. Coming from a Labour leader they seem fresh and original. But Blair's paternalism has not been wholly consistent. He does not always mention his communitarian policies in speeches to Labour audiences and certainly plays them down at party conferences, a habit that contributes to the impression that he is slippery. Pointing out that Blair's noisy neighbors speech was made to a largely Conservative audience, Craig Brown, a columnist for the *Daily Telegraph*, wondered how malleable the Labour leader might be: "What would he have yelled in a speech to the Noisy Neighbors Association Annual Dinner-Dance?"

TONY AND THE TOFFLERS

EVEN LESS clear is Blair's commitment to his third and closely related set of ideas. Blair's 1996 party convention speech may sound familiar to the American ear. He told his Labour audience that we live "in an era of extraordinary, revolutionary change. At work. At home. Through technology and the million marvels of modern science. The possibilities are exciting. But its challenge is clear. How do we create, in Britain, a new age of achievement in which all of the people, not just a few, can share?" The line was pure Blair—and pure Newt Gingrich.

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Along with the rhetoric of technological, social, and behavioral change come some distinctly Gingrichite inclinations, most notably a radically different approach to traditional entitlements, probably in the form of radical pension and welfare reform. Call it the neo-right-wing line of thinking in the Labour Party. If that sounds contradictory, it is. So contrary is this kind of thinking to the traditional views of the British Labour Party, in fact, that Blair rarely discusses such ideas in public. And so rarely does he discuss them in public that not everyone in British politics is convinced he really means it.

Though mocked by his Tory opponents and treated with suspicion by those who suspect he has no policies to match such language, Blair privately insists that this revolutionary rhetoric will produce revolutionary policy. At off-the-record meetings with journalists, he has insisted on the truly radical nature of his intentions, particularly regarding welfare and pension reform: "I want to be remembered as the prime minister who reforms the welfare state" is how he once put it. He often speaks about welfare reform in the same way he does law-and-order issues, emphasizing the need for people to work in partnership with the state rather than simply depending on it for handouts. As he told the businesspeople in Singapore, "The system will only flourish in its aims of promoting security and opportunity across the life cycle if it holds the commitment of the whole population, rich and poor."

Unfortunately, as was the case with stakeholding, Blair remains maddeningly vague about what exactly his radical reform of the welfare state might entail. Like the United States, Britain has a state pension system that will, in the next century, run out of money. Blair knows this, and is perfectly happy to concede that pensions will eventually have to be funded through private contributions (although he does not emphasize the point in public, presumably for fear of antagonizing traditional Labour voters). He has promised his party a "review" of pension policy, but has not said publicly what conclusions he believes it will draw. Even more radically, Blair has expressed admiration for Asian approaches to insurance like Singapore's Central Provident Fund, a system of compulsory personal insurance, and has praised the work of Frank Field, a Labour member of Parliament who advocates compulsory unemployment and pension insurance, possibly managed by private or semi-private insurance funds.

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Nevertheless, Blair's failure to provide many details on his plans for welfare and pension reform rankles many British political observers. When pressed, Labour politicians will claim—as Blair has—that they need to be in office before being certain which promises they can keep, or that they do not want to reveal too much detail before an election for fear of having their words manipulated by their Tory opponents. They may be right—frightening people about health care reform is easy and effective, as the Democrats' tactics in the 1996 U.S. elections revealed—but their refusal to give any detail has played, once again, into the suspicion that Blair is a man of profuse rhetoric and few ideas.

DEVOLVING FROM DOWNING STREET

A FINAL way in which Blair wants to use state institutions to new effect is by reorganizing the institutions themselves. The call for constitutional change is not new to British voters. The Labour Party has been talking about it for decades. Still, Blair's talk of constitutional change fits well with his rhetoric about economic and legal change: it is all part of the revolution needed to "modernize" Britain for the 21st century, to sweep the dust out of Britain's supposedly medieval political institutions.

Perhaps the most important and most controversial part of Labour's constitutional reform program is Blair's support for the devolution of power from London to other regional centers in the United Kingdom. Unlike the United States or the Federal Republic of Germany, the United Kingdom is not a federation. There are no regional governments to vie for power with the central government in the way that American states or German *Länder* do. Blair's proposals would reverse that tradition, with power devolving from London to a Scottish parliament, a Welsh assembly, and other regional English assemblies. He says he also wants to make changes to the British parliament, altering some rules of parliamentary procedure, adopting the European Convention on Human Rights into British law, signing a Freedom of Information Act, increasing the powers of local government, and eliminating the role of hereditary peers, who still sit in Britain's second chamber, the House of Lords, by right of

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birth. As if that were not enough, the Labour Party has also declared that it will hold a referendum on reform of the first-past-the-post British electoral system, presumably with the aim of replacing it with continental-style proportional representation.

At least on the surface, the logic behind constitutional reform is much the same as that behind Blair's other proposals. Describing the modern disillusionment with politics in a speech in February 1996 in honor of the late Labour leader John Smith, Blair put it this way: "The disaffection is because people feel no ownership, no stake in much of the political process. The citizen feels remote from power." He has issued the same almost revolutionary rhetoric about constitutional change that he has about economic change: "The reforms I have set out will transform our politics. They will redraw the boundary between what is done in the name of the people and the people themselves. They will create a new relationship between government and the people based on trust, freedom, choice, and responsibility."

Naturally, there are a few other reasons as well. Devolution of power from Westminster to Edinburgh might ease the pressure the Labour Party is beginning to feel in Scotland from the Scottish National Party, which advocates Scottish independence from Great Britain. Almost any change in the British electoral system would also give more power to the Liberal Democrats, Britain's third party, which wins many local elections and up to a quarter of the votes in national elections, but thanks to the current system holds very few seats in Parliament. Because the Liberal Democrats are now almost entirely in sympathy with Blair's Labour Party, almost any change in the voting system would make it difficult for the Tories to govern Britain again any time soon.

But over time Labour's constitutional reforms have been gradually played down. After the Tories pointed out that a Scottish parliament with powers of taxation would almost certainly result in higher taxes for Scotland (a "tartan tax," as it became known), and after some claimed that a Scottish parliament would mark the beginning of a process that would end in an independent Scotland, if not the dissolution of the United Kingdom, Blair backed away. Instead of creating a Scottish parliament, Blair said, he would hold a referendum in Scotland, on both whether to form such a parliament and whether it should have powers of taxation. His Scottish supporters interpreted this change of policy as

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a betrayal, but it was in fact consistent with Blair's de facto preelection strategy: propose a radical idea, listen to the criticism, retreat.

Nor has the Labour Party been particularly clear about the consequences and implications of some of the proposed changes. How would the delicate balance between the House of Commons and the decidedly inferior House of Lords be altered by the absence of hereditary peers? How would the Labour Party compensate English members of Parliament for the fact that their Scottish counterparts could vote on legislation affecting England, whereas they could not vote on legislation affecting Scotland? How would electoral reform change British politics—and, indeed, what kind of electoral reform might occur? As the general election approaches, these issues remain shrouded in mystery.

CLOSER TO EUROPE

LIKE CONSERVATIVE Prime Minister John Major, Blair has also been less than clear about another potentially enormous change: whether Britain should join a single European currency, possibly the largest constitutional and political issue Britain now faces. To be frank, his silence on the subject is probably politically wise. The Conservatives are tearing themselves apart over Europe. If the Labour Party says nothing whatsoever about the topic, it will appear to have a much stronger, more consistent policy. But Blair's silence also masks strains within Labour. A solid group of about 50 Labour members of Parliament consistently opposes greater European integration, not so much out of concern for British sovereignty—as is the case with the Tories—but because of the strict budgetary and monetary criteria that members of the single currency will have to meet. Blair is eager to play down these strains and stress the enormous difference that having a Labour prime minister will make in Britain's difficult relationship with Europe. As always, his rhetoric emphasizes the revolutionary impact of Labour leadership in Europe. As he put it in his 1996 party convention speech, "Leading Britain into an age of achievement means Britain leading in Europe . . . for business and for Britain we will build a new relationship with Europe."

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The Labour Party is certainly closer to the European mainstream than the Conservatives on some issues, notably the Social Chapter, the social legislation that all European countries except Britain have pledged to adopt. Falling in step with the rest of Europe, Blair has also agreed to adopt a minimum wage and says he will relinquish the British veto in certain areas of health and social legislation, pleasing other European countries that want to reduce veto power over European policy. But Blair vigorously denies any desire to relinquish the veto on defense and foreign policy issues, and claims he does not mind being "isolated" in Europe if it is in the British national interest. That, of course, is precisely the view that has got the Conservative Party into so much trouble in Europe.

Blair's position on the single currency remains virtually identical to John Major's.

In fact, on the single currency, Blair's position remains virtually identical to John Major's. The Labour Party promised only that the decision to enter a single currency would be made "after an election." After sustained media pressure, however, Blair, like Major, promised a national referendum on a single currency. Like Major, he claims that "our options on a single currency should remain open, to be determined according to our national interest." Privately, he describes himself as agnostic on the issue. He says he has no ideological commitment to the single currency but could be convinced of its merits—which is fair enough, except that if progress toward the single currency continues on schedule, and if the Labour Party wins the next election, Blair would have to decide almost immediately whether or not Britain joined European Monetary Union as part of its first wave. A referendum would have to be prepared, the economic criteria would have to be met, and bills on a wide range of issues—including one establishing the independence of the Bank of England—would have to be approved by the House of Commons. Embarking on such a venture would require enormous political will. But if Blair does not attempt it, Britain's relations with Europe will hardly be "radically" transformed. On the major issues the United Kingdom will simply stand, as it does now, in opposition to France and Germany. On the questions of European integration, as so many other issues, British voters will simply have to wait and see what Labour Party policy turns out to be.

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VACILLATION AS VIRTUE

IN THE end, it is the fantastic gap between his almost messianic rhetoric and his actual policy proposals that most frustrates Blair watchers. Most have now resigned themselves to the assumption that there is no single ideology, that different strands run through the party's rhetoric, and that Labour Party policy will mold itself to fit the times. Nevertheless, Blair constantly seems to be promising something more. "Let us call our nation to its destiny," he said at the Labour Party convention in 1996. "Let us lead it to a new age of achievement and build for us, our children, and their children, a Britain united to win in the new millennium." In the same speech, he repeated the term "a new age of achievement" several times—much as Bill Clinton spoke of "a bridge to the 21st century"—and said Britain had only a few years to prepare for the next millennium: "A thousand days to prepare for a thousand years."

The combination of constitutional change, electoral change, welfare and pension reform, and modifications of corporate and criminal law that Blair sometimes prescribes would, for better or for worse, have a revolutionary impact on Britain. These measures would certainly win him allies and opponents across Europe's broad political spectrum, and might well change the traditional party structure in Britain, as Blair has suggested. The privatization of pensions alone would put him at risk of being unseated by a revolution in his own party—although it would also win him support among some conservatives.

But Blair's list of actual policy promises is tiny. He has made five election "pledges"—on classroom sizes, hospital waiting lists, youth training schemes, low inflation, and fast-track punishment of young offenders. He has promised not to raise personal income taxes. A few minor welfare reforms have been mentioned, and some of his constitutional commitments seem sincere. But while these are potentially important changes, none seem to merit the phrase "a thousand days to prepare for a thousand years." The gap between rhetoric and policy prescriptions has produced a peculiar result: weeks away from a British general election, some Labour members of Parliament tell me they still don't know what their party would actually do if elected.

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Worse, if Blair does take office—which is not, at this writing, by any means guaranteed—it is not even clear that there will be much room to make sweeping changes. His ability to achieve anything will depend on the size of his majority in Parliament, the obstinacy of the socialist minority in his party, and the timetable for EMU. In the end, Tony Blair may find, like many political leaders in the industrialized world, that whatever his activist ambitions, his role is purely managerial: if taxes cannot be raised, if there are no wars to fight, and if there is no political will to dismantle the large entitlement programs, all that any modern political leader can do is alter the state at the edges.

Unfortunately for Tony Blair, it may also be the case that Britain is returning not to the political ideologies of the nineteenth century but to the apolitical system of the eighteenth, in which the point was not to articulate an ideology and then carry out a stated program but to win and maintain power. Britain may, in other words, be returning to a system in which candidates vie with one another to make the right noises in front of the right constituencies so as to keep or gain control of a state that remains, year in and year out, largely unchanged, one in which it hardly matters whether Tony Blair or John Major is in office. If such is the case, for the British left, which has waited 18 years to return to office; for the European left, which is hoping Tony Blair will lead a continentwide renewal; for Tony Blair's supporters, who have elected him after hearing his promises of revolutionary change; and for Tony Blair himself, who appears genuine in his belief that the state has the ability to make life better for its citizens, power may prove disappointing indeed.

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Russia's Illusory Ambitions

Sherman Garnett

LOSING A GRIP ON EURASIA

ALTHOUGH A children's story may seem an inappropriate analogy to describe Russian power, A. A. Milne's tale of the honey-seeking bear who wedges himself in a rabbit hole describes Moscow's strategic situation better than the usual hypotheses. Like the bear, Russia finds itself in a "great tightness," caught between its lofty ambitions and reduced capabilities. While the Russian bear struggles to extricate itself from its predicament, the consolidation of new states like Ukraine and Uzbekistan, the rise of China, and the ambitions of rimland states finally freed from the constraints of the superpower rivalry and able to pursue genuinely autonomous foreign policies are transforming the rest of Eurasia. The result is likely to be a Eurasia defined less by Russian power than by competition to fill the vacuum that Russia's troubles have created.[1]

Understanding the Eurasia to come requires an understanding of the constraints on Russian power. The legacy of czarist and especially Soviet power continues to affect Russia's role in the world. Many Russians cannot conceive of abandoning their country's tradition as a great power. Russia's neighbors are all too familiar with that tradition, and view current Russian actions through its prism. Western observers, even when sharply divided in their assessments of Russia's progress, still use a vocabulary that exaggerates the country's capabilities for constructive or destructive behavior. When discussing Russian power, everyone still tends to leap from tactical observations to strategic speculation. However appropriate this approach may have been for the

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U.S.S.R., which possessed formidable diplomatic and military instruments and a well-articulated set of national interests, it is singularly unsuited to today's Russia and broader Eurasian trends.

Russia is an inward-looking state. It has accomplished much in the past five years, but immense political and economic difficulties remain. Its military has conducted the largest strategic withdrawal in history. At this time of reduced capacity, Russia must confront the most significant transformation of its surrounding strategic environment in the past five centuries—the greatest change since the rise of Muscovy. The Russia that emerges and the Eurasia that forms around it will define the real dangers and opportunities of the next century.

POST-SOVIET SHACKLES

IN THE WAKE of the Soviet Union's collapse, Russia faces economic, military, and political shortcomings that directly constrain its international role. In the short term, the country's problems and their solutions seem almost to conspire to limit Russian state power.

Russia's economy is half the size the Soviet Union's was in its final days, and has suffered five straight years of decline. GDP was six percent lower over the first eight months of 1996 than in the same period the year before. Between corruption and kickbacks, the recent presidential campaign exacerbated Russia's problem with tax collection, already running far behind anticipated revenues. Russia may experience real growth in 1997 or 1998, as many experts predict, but a boom is unlikely.

Even if Russia manages to sustain modest growth, restoring the fiscal foundation for a more ambitious foreign policy will take several years. Low birthrates and declining life expectancy project great demands on social services and hold down per capita income and savings rates. Borrowing abroad is likely to remain a feature of the Russian economy for decades. Natural resources, particularly energy, will remain the foothold for Russia's place in the world economy, but this sector, especially oil and gas, will require heavy capital investment

[1]This article is drawn from a monograph written for the Scientific Applications International Corporation's seminar "Toward 2000: Challenges and Opportunities for U.S. National Security," chaired by Dr. Lewis A. Dunn.

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to ensure continued supply. And the profound shift in the structure of the Russian economy must be considered. Massive amounts of wealth and property once under state control are now in private hands. This change alone significantly limits the state's ability to mobilize resources for foreign policy.

There are also military limits on Russian foreign policy. Russia remains a preeminent nuclear power, but the Soviet Union's ability to project great conventional power is in ruins. Whether measured by quantitative standards like the number of divisions, tanks, fighter aircraft, or ships at sea, or such qualitative factors as morale and fighting spirit, the Russian military is in crisis. While its performance in Chechnya does not mean the military would fight poorly in other circumstances, particularly if Russia faced a serious threat to its sovereignty, the shortcomings that the war in Chechnya has exposed—from poor morale to gross mismanagement—would surely affect any military operation conducted for at least the next decade.

The Russian military is a demoralized and ineffective fighting force. Last year its personnel received no salaries for four months. Perhaps as many as 100,000 officers lack adequate housing, and many facilities do not have the infrastructure to care for the families of servicemen. Infectious disease has spread dramatically. Widespread draft-dodging has left the military a conscript pool with poor qualifications and physical health. Corruption is rampant throughout the army. The military is short of food and fuel and has resorted to emergency supplies; in 1995 the army depleted 35 percent of its reserve food and fuel stocks. Soldiers in Chechnya wore sneakers and winter hats donated by Moscow's Minatep Bank. (Imagine the United States conducting Desert Storm with the help of Nike.) In October 1996 TASS, the state news agency, quoted Defense Minister Igor Rodionov warning that "because of the chronic shortage of funds, Russia's armed forces have reached the limit beyond which extremely undesirable and even uncontrollable processes may arise."

Basic personnel needs, conducting operations in conflicts like those in Chechnya and Tajikistan, and sustaining the nuclear forces that give Russia its international standing are likely to receive the lion's share of funds. Little will be left for desperately needed training, equipment, and the destruction of old and potentially dangerous munitions. The

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military will undoubtedly view expensive arms control undertakings as an unwelcome burden. Little money or energy will be left for reform, which has consistently been put on the back burner. For this year and many to come, analysis of military reform will likely yield the same judgment President Yeltsin made regarding 1995, namely that "military reform [has] made virtually no headway in Russia."

Russia suffers not from sinister centralization but from government disintegration.

Compounding Russia's economic and military decline is the political confusion and fragmentation that has overtaken the country. Yeltsin's reelection may have alleviated fears of a communist return to power, but it has not solved the state's basic weaknesses, particularly in foreign policy. In the past year alone, the foreign and defense ministers have been replaced and two national security advisers have departed. In a pattern that has become characteristic of the Russian security policy apparatus, two new structures for foreign policy oversight have been created and pronounced ineffective. Each change in the security council or presidential bodies in the security sphere has engendered a new wave of Western warnings about concentration of power over the army, the police, and security policy. But the cycle of decrees, new structures, and reforms is less a sign of a sinister centralization than of quite the opposite—government disintegration.

In the absence of effective central coordination, individual ministers make their own policy. The minister for atomic energy secures contracts with Iran and China and announces the need for new smaller atomic weapons. General Aleksandr Lebed's dramatic peace breakthrough in Chechnya in August 1996 occurred against the backdrop of constant confusion over who was authorized to carry out Chechen policy. The commander of Russian forces in Chechnya fought publicly with Lebed over whether Russia should concentrate on negotiating or recapture Grozny. The commander even claimed to have a presidential order calling for him to retake the Chechen capital, but Lebed insisted it was a forgery.

What should be strategic decisions about military intervention and sales of advanced weapons appear to be the province, first and foremost, of cabinet officers, local commanders, and factory man-

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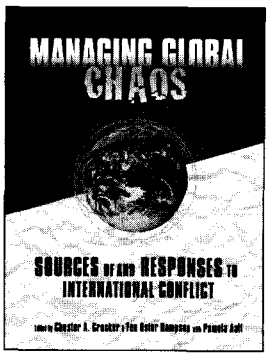

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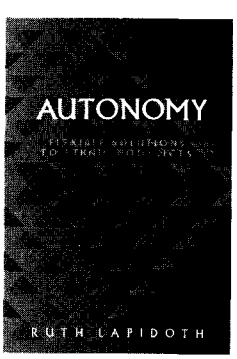

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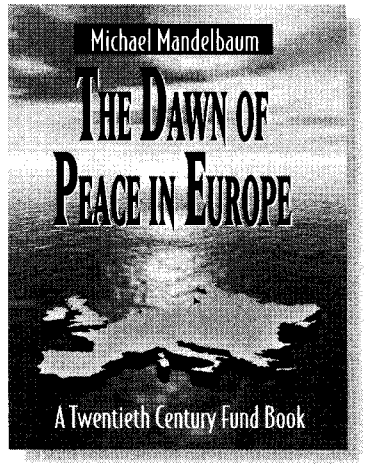

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agers. In May 1994, when U.S. officials questioned their Russian counterparts on the wisdom of selling nuclear reactors to Iran, it became clear that the initiative for the deal—and most of the information about it—was in the hands of Viktor Mikhailov, minister for atomic energy. Likewise, the initiative for selling China the latest, fully equipped SU-27 fighter aircraft and the capacity to produce its own version of the plane reportedly came from the manufacturer. Russian field commanders and local forces have played a key role in spawning intervention in conflicts on the new borderlands. Russian forces, many of them local troops, were ultimately drawn into ongoing conflicts in Moldova, Abkhazia, and Tajikistan. The emerging pattern in nuclear technology transfers, arms sales, and military intervention on the periphery is one of initiatives by individual ministers or coalitions of local, ministerial, and industrial representatives, all without benefit of advance coordination. The Kremlin may decide to take advantage of these initiatives, ignore them, or provide them with ex post facto strategic justification, but it has lost the ability to set the strategic agenda.

Confusion at the center, coupled with the proliferation of decision-makers, has made it difficult for both Russians and outside analysts to state precisely what Russian policy is. Do arms sales to China signify growing strategic cooperation or a need to raise cash? Has the government abandoned its traditional nonproliferation concerns in Iran or is the Ministry for Atomic Energy acting on its own? Is Russia asserting its military control over the new borderlands or are local commanders acting without Moscow's consent? Whatever the explanation, the actions of ministers, commanders, and political coalitions are creating strategic imperatives and setting in motion policies that are difficult to reverse. While the worst excesses of this policy fragmentation cannot last forever, there is no sign yet that it is nearing an end.

POWER PROJECTIONS

BEYOND THE material constraints on Russian power, there remains an intellectual shackle that is hardest to quantify yet perhaps most binding. Russia's foreign policy community continues to suffer from a failure to keep policy ends consistent with available means. A rough

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consensus has emerged in Russian foreign policy: the country's leading statesmen proclaim their purpose to be maintaining Russia's place in the world as a country to be reckoned with. As Foreign Minister Yevgeny Primakov has stated, "Russia was and remains a great power. And like any great power, its policy must be many-vectored and multifaceted." This consensus sees Russia's top foreign policy priority as deepening integrative trends in the territory of the former Soviet Union. The policy's advocates intend not to mire Russia close to home but rather to solidify Russia's place in the former U.S.S.R. and, so doing, build a foundation for restoring Russia as a great power beyond the "near abroad."

At the same time, the Russian foreign policy community has become increasingly skeptical about a productive partnership with Western countries. Some in the community, and not just those at the extremes, go so far as to claim that the West—the United States in particular—plans to undermine Russia's status and turn it into a source of raw materials for the developed world. A broad consensus opposes the enlargement of NATO. The West is also criticized for its "negative attitudes . . . toward integration processes in the Commonwealth of Independent States," as Primakov told Moscow's Institute of International Relations last June. The foreign minister even defined NATO expansion and Western skepticism regarding CIS integration as the "two main irritants" in Russia's ties with the West.

Though less a matter of the core consensus, partnership with China has also emerged on the agendas of many in the Russian foreign policy community. Few would go as far as the senior Russian diplomat who claimed that "the interests of Russia and China coincide in virtually every area," but President Yeltsin's April 1996 visit to Beijing has rekindled hopes in Moscow of sustaining what the latest national security statement calls a policy of "equal proximity" to all the major powers.

At the heart of these consensus and near-consensus views of Russia's interests and place in the world is no detailed plan for the maintenance and expansion of Russian power, but simply a call for its assertion. As Primakov has put it, "The international situation itself requires that Russia be not merely a historically great power, but a great power right now." Although they are acknowledged, Russia's

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limited capabilities are not considered an obstacle to an active world role; Russian policy, according to Primakov, is being carried out "by no means on the basis of current circumstances but on the basis of [Russia's] colossal potential." Russia's limited means for pursuing integration within the CIS are supposedly supplemented by an "objective desire" for integration among all CIS countries. The mutual history, interests, and advantage that Yeltsin described as "the tremendous blood relationship" between the states of the former U.S.S.R. is said to be stronger than the impulse for sovereignty. To many Russians, some form of integration or reintegration is "the only alternative which would permit a mutually acceptable solution to the rising economic, territorial, military, ethnic, and other problems."[2]

Bold though they may be, such assertions are more faith than strategy. Russia's diminished power and the complexity of the new political environment are virtually guaranteed to force decisions that are at odds with the current consensus. Russia cannot afford to follow through on the comprehensive plans it envisions for the former Soviet Union. The Russian military does not have the personnel to occupy the bases it covets, and there is not enough money to finance the customs unions, unified border guard, military bases, air defense systems, or currency unions now being considered. Furthermore, if Russia chooses to strengthen ties with Belarus, Kazakstan, and Kyrgyzstan, it will constitute a model of integration unappealing to more independent states like Ukraine and Uzbekistan, thus encouraging their flight from the CIS. On the other hand, waiting to pursue a less demanding but more comprehensive community risks leaving the states of the former Soviet Union to the forces of separation and disintegration.

With all the constraints on Russian policy, the Caucasus and Central Asia might well appear attractive as "compensatory" fields of activity. The south is a belt of weak states like Tajikistan and Georgia, with little international support, vulnerable even to a greatly weakened Russia. These states were targets in the nineteenth century, when Russia's quest to control the Bosporus Straits and Central Europe stalled. For those who urge the assertion of Russian power, the

[2]Sergei Karaganov, "Russian Imperialism: Real and Imaginary Threats," *Segodnya*, August 5, 1994.

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logic of southward expansion seems impeccable. But such compensation carries its own penalties. Real suppression of numerous conflicts and sources of regional instability like the civil war in Tajikistan calls for a great increase in financial and military resources. Russia has pronounced all of them vital to its interests but is hardly prepared to mount an effective response to any of them. As Chechnya has demonstrated, there are no little wars, especially for Russia's broken military machine. Although Foreign Minister Primakov has made the new states of the former U.S.S.R. a much higher priority than did his predecessor, Andrei Kozyrev, his attention has yet to yield significant gains. The problem is not—and has never been—the personnel at the top. The true limits on Russian policy have been the constraints on Russian power and the reluctance of the new states.

SAYING NO TO NATO

BEYOND THE borders of the former Soviet Union, the constraints on Russian foreign policy are even greater. Issues like NATO expansion reveal the tension between ambitions and limitations. Absolute opposition to expansion remains the norm, even as NATO's Russian opponents prepare for the alliance's move into Central Europe. Below the surface of that consensus, Russia's limited options and resources for response have split the foreign policy establishment. NATO expansion forces a showdown over the real sources of conflict likely to threaten Russia. For some Russians, NATO expansion is a true military threat that requires a military response, including the deployment and upgrading of offensive conventional and even nuclear forces in Belarus and the Russian province of Kaliningrad on the Polish border. But those who fear NATO less than Russia's isolation claim that such a reaction would unravel Russia's ties with the West and squander scarce resources responding to a chimerical challenge. For very different reasons, both sides oppose NATO expansion, leaving little room for compromise. Their common opposition, however, does not amount to a united front. As Thomas L. Friedman wrote in the July 24, 1996, *New York Times*, with a decision on expansion imminent, the Russian consensus on NATO is a burden rather than an asset for the Kremlin—an important reason why Primakov and others have

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already begun to test the waters of compromise. It is also an important reason why Russia will be unable to make a swift or effective exit from its current straits.

ARCHIVE PHOTOS

On the Farm: Russia's new military, Chulkovo, Russia, September 1996

While NATO expansion calls Russia's role in Europe into question, China's economic power and demographic advantages along the Sino-Russian border will eventually expose Russia's serious vulnerabilities in its far Eastern regions and Central Asia. Russia's military weakness also raises doubts as to whether it can play peacekeeper among the border region's emerging nations and restless ethnic minorities. Sino-Russian conflict is not the inevitable result, but Russia must confront the reality of China's rise and its own decline. Current trends suggest a partnership that, if it can be maintained at all, will increasingly reserve for Russia the junior role.

Despite the assertiveness of its current consensus, the problem that Russian foreign policy will pose for the outside world is not the return of empire but the unpredictable consequences of weakness and overcommitment. Only in Russia's foreign policy community are the forces of integration and reassertion stronger than those of disintegration and withdrawal. A dangerous new paradigm for Russia is apparent, one that builds ambitions and commitments on foundations of sand. Weaknesses and resource constraints confuse foreign policy in the short term and complicate the reconstitution of Russian power over the long term. The solution offered by Moscow's current consensus—a policy that would restore Russia's status as a great power while building the territory of the former U.S.S.R. into

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an integrated Russian-led political, economic, and security structure—only worsens the dilemma Moscow faces by delaying its encounter with its own limitations and the challenges of the new Eurasian geopolitical environment.

For the West, a weaker Russia is no easier to handle. Weakness fosters suspicion, not strategic cooperation, and contributes to a more rigid conception of foreign policy objectives. Weakness will make Russia's great power status and the righteousness of integration litmus tests for the leadership and the opposition alike, instead of matters for analysis and policy debate. A stronger, more confident Russia could afford to consider whether the borders of the former Soviet Union must in all cases be its strategic borders. It could explore concessions, even on such difficult issues as NATO expansion, because such concessions would not call into question its status as a great power and equal of Western powers. It is not clear that a stronger Russia would do either of these things, but it is clear that a weak Russia cannot.

EURASIA ON THE RISE

BY AND LARGE, Russian foreign policy regards central Eurasia, particularly the former U.S.S.R., as an area of traditional Russian interest and influence. But Eurasia is changing. The catalyst for that change is, of course, the Soviet Union's disintegration. But disintegration did more than contract and transform Russian power. It created new nation-states of diverse economic potential, political stability, cultural orientation, and military power, and it opened up the formerly closed core of the continent to increased influence from the rim. These two trends have the potential to alter, substantially and permanently, economic relations and the balance of power in the region and across the Eurasian landmass.

Russia must confront both the successes and failures among the new states of Eurasia. The clear potential for failure has received the bulk of the attention in Russia and the West. Many of these states were unprepared for independence, facing enormous economic and political challenges with few resources, weak or nonexistent state institutions, and inexperienced leaders. The continuing civil war in Tajik-

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istan and the backward-looking authoritarianism of President Alyaksandr Lukashenka of Belarus are obvious examples of the problems these new states can pose.

Russia must also come to terms with the stronger among these states. Russian analysts have been too quick to spot potential Tajikistans everywhere in the CIS. After facing several crises of economic reform and state-building, Ukraine and Uzbekistan have pursued independence with substantial success. Other states free of armed conflict have been less successful, but they too harbor ambitions to remain independent. The desire for sovereignty is a stronger force than many observers in Moscow appreciate. With the strongest of these states, Russia must create genuine state-to-state relations. Even a Russian policy that is successful within the CIS will have to deal with a division between those states dependent on Russia and those that are less active participants in, or even wholly outside, the structures of the CIS. This division is not simply a function of the growing pains of the CIS but a permanent trait of the economic and security environment of the former U.S.S.R.

Russia must inevitably assume the burdens of creating and sustaining the CIS.

If the region's strongest states opt for a more independent path, the CIS will be limited to failed and failing states and will fall far short of becoming a zone of genuine political and economic cooperation. Russia must inevitably assume the role of creating and sustaining the CIS. There can be no talk of burden-sharing nor of anything like an Eastern European equivalent of NATO or the European Union. Russia must come to terms with the diversity in its own backyard. There are advantages to having sovereign neighbors that can stand on their own two feet, particularly if, as in this case, none of them can mount a military or security threat without the aid of another power.

Another enduring change shaping Eurasia is its growing openness to the outside world. The economic links, transportation patterns, and cultural and linguistic orientations sustained by imperial domination are already being challenged by alternatives from China, South Asia, the Islamic world, and Europe. Russia will never be a marginal country for the new states of the former U.S.S.R., but even a revived Russia is unlikely to enjoy for long anything like its current advantages.

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Wider options will spring from relations with the outside world. A dramatic reversal of the historical flow of power is already apparent in Eurasia as a whole. For the first time in decades, political, economic, and even military power is flowing from the outside into the heart of Eurasia. What happens on the rim and in China, India, Pakistan, Iran, and Turkey has an increasing impact in the center of the continent. The Soviet state effectively sealed itself off from the outside world. It attempted to influence the borderlands, but was rarely influenced by them. That pattern's reversal is of momentous significance in Eurasia and is likely to be a source of continuing shock to Russia.

Early in the next century, the projected growth of the economies of China and other Asian states will change world consumption patterns of oil, natural gas, and other natural resources, increasing the importance of sources of those commodities in Central Asia and Russia. Asian requirements will spur new transportation links, pipelines, and trade patterns. Through the opening of Central Asia and the former U.S.S.R., Asian economic and security issues could become tightly interwoven. Although still in its beginning stages and largely peripheral to Western interests, the opening and development of Central Asia could also provide a land connection between such vital areas as East Asia and the Persian Gulf. With its demographic imbalances, ethnic tensions, natural riches, and emerging states, the old Sino-Soviet land border, over 4,200 miles long, is perhaps the most geopolitically active region in the world.

A similar transformation of the states on Russia's western border could well occur with the expansion of the European Union, even if none of the new states of the former U.S.S.R. are immediate candidates for membership. If the Visegrad states become members, Ukraine, Belarus, the Baltic States, and even the Kaliningrad district of Russia will border countries integrated into Western Europe. The influence of such a market would be irresistible. The Baltic states make no secret of their desire to join the EU, and with its recent economic advances, Estonia's candidacy is being taken seriously. Similarly, given Ukraine's desire for links to the West and Poland's need for a stable and independent Ukraine, Polish-Ukrainian relations, like other bilateral and multilateral relations that exclude Russia, have greatly expanded and will continue to grow.

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With the prospect of NATO expansion, the security orientations of the states of Central Europe are also changing. Poland's inclusion in NATO would create Western interests in and increased interaction with the bordering Baltic states, Belarus, and Ukraine, although this is little understood in the West. Poland's security, and thus that of its allies, will be in large measure determined by the stability of its eastern neighbors. NATO and the most powerful Western states will gradually become more active in Eurasia as the alliance's new frontiers demand their attention. President Lushenka's recent steps toward establishing a Belarusan dictatorship, events that the West has largely deemed a Russian affair, could not so easily be left to Moscow were Belarus NATO's forward position. While increased Western activity in Belarus, Ukraine, and the Baltics need not conflict with Russian interests, it will certainly be another sign of how the outside world has begun to shape lands that Russia has traditionally regarded as its exclusive domain.

SOUTH BY SOUTHWEST

As CHINESE power continues to grow, Russia must also accept and adjust to China's efforts to claim its place among the world's leading states. Although focused on Taiwan and the south, China will also bring considerable economic and demographic pressure to bear on Central Asia and the Russian Far East. The sheer size of the Chinese economy and the dynamism of its development are likely to be much more important factors in the development of Siberia and the Russian Far East than development plans from Moscow. If China undergoes an internal crisis that prevents it from becoming a true global power, its impact could be even greater; a weakened Russia would have to deal with the instability and chaos of an unstable China.

From the southwest, Islam will continue to influence states of the Caucasus and Central Asia, as well as adjacent regions of Russia. The new Islamic states of the former U.S.S.R. will inevitably take their place in the Islamic world. Some Russian officials and commentators seem hysterical when describing this shift, as if the Islamic world were a monolithic fundamentalist block that the new

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states of Central Asia would be unable or unwilling to resist. The truth is more complex. Although one cannot rule out an accession of factions with fundamentalist links and leanings in Tajikistan or elsewhere in Central Asia, the real outside influence is Islam itself. The states of Central Asia have been steeped for more than a century in Russian civilization. That influence, and its advantages for Moscow, must subside. It will linger longer and more vividly in states like Kazakstan and Kyrgyzstan, which have both entered into integration agreements with Russia, but even they will eventually become increasingly Islamic.

The Muslim states of the former U.S.S.R. will inevitably take their place in the Islamic world.

Along the rim of Eurasia, the end of the U.S.-Soviet rivalry—and thus the withdrawal of Soviet aid and power and the downsizing of U.S. forces and commitments—has left a vacuum for the region's states to fill. Both Russia and the United States must deal with the rise of the region's middle powers. While Moscow remains preoccupied with conflicts in the militarily weaker states of Central Asia and the Caucasus, those powers just beyond the borders of the former U.S.S.R. are modernizing their military forces with advanced conventional systems, long-range missiles, and even nuclear, chemical, and biological weapons. Conflicts between those powers could well include the threat or even the use of such weapons. Both the United States and Russia still view that threat through the eyes of their friends and former clients. Russia is content with its strong ties to India, Iraq, and Iran, and it worries about Turkey and Pakistan. For the United States, the dual menace of Iran and Iraq is paramount. Continuing to view the region as a struggle of proxies will prevent both Russia and the United States from addressing the problems likely to emerge there. The states on the Eurasian rim could well give rise to ambitious powers with significant military capabilities that would cast a shadow both inward, over the core of Eurasia, and outward, over sea-lanes vital to the United States. Unfortunately, Moscow and Washington have yet to explore the potential for strategic cooperation to avoid such dangers.

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RUSSIA'S RABBIT HOLE

FOR AT LEAST three centuries Russia has been a constant and decisive presence in European and Asian balances of power. In the past five decades, the Soviet Union, emergent as a superpower, was in a tug of war for diplomatic dominance. With that in mind, observers continue to focus on the potential for Russian strength rather than current Russian weakness. But the collapse of the Soviet Union and the country's massive internal needs have constrained Russian power. Those constraints are not immutable. Economic growth will return. The fragmentation of the state can be overcome, and dilapidated armies can be restored. Even changes outside Russia may turn out to be less intrusive or corrosive of Russian power than current trends suggest, but they do circumscribe Russia's immediate choices and form the basis for any longer-term options for restoration.

In the short term, Russia can be neither a global partner nor a global menace. Its most sustained international efforts continue to be those closest to home, particularly on the territory of the former U.S.S.R. Even there, Russia's ambitions and commitments are out of keeping with its current capabilities. Constraints on the country's resources and the rise of a more complex external environment limit Moscow's ability to dominate the former U.S.S.R., but they do not rob Russia of the natural leverage it enjoys over its new neighbors as a result of its great size, natural wealth, and long-term potential. Russia would enjoy more options if its leaders modernized their views and embraced less direct forms of influence, including the whole arsenal of "soft power." There are considerable advantages for a state under Russia's current constraints in eschewing the economic and military obligations that extensive interference in the lives of its neighbors would entail. Some within the Russian leadership understand that, but others still see the former U.S.S.R. as an unambiguously Russian arena, a last bastion of the old-fashioned rule of the strong.

Even here, Russian power is limited. Neither Russia nor the rest of the world has adjusted to the shape of the new Eurasia, to the potential for the combination of excessive Russian ambitions and dwindling Russian capabilities to spark strategic surprises. With China emerging as a superpower, conflicts festering in Afghanistan and Tajikistan,

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and relations within the CIS growing more diverse, the makings of such surprises dot Russia's periphery. In many places strategic initiative has shifted to China and the small and medium-sized states of the rimlands. These patterns of Eurasian power and diplomacy are still in their early stages. There are more surprises to come.

Both Russia and the West must now get the outlines of Eurasia's emerging security environment right. If the West misinterprets Russian foreign policy, mistaking today's more assertive and nationalist consensus for the return of the old Russia, it could prematurely end an era still marked by the virtual disappearance of the great strategic frictions that plagued U.S.-Soviet relations. The West could well wind up on a fruitless watch for the return of great Russia, allowing other challenges to the peace and stability of Eurasia to slip by. Russia too will suffer if it believes that the West—and not its own situation—is to blame for making Russia's traditional posture in its neighborhood and beyond unsustainable. Nor will adopting an anti-Western posture help address the emerging challenges Russia faces to the south and the east.

The Eurasia of the next century will yield an array of such challenges, and they will almost certainly be easier to address through U.S. and Western cooperation with Russia than in its absence. Mutual suspicions, unresolved differences, and unfulfilled promises now taint the basis for cooperation. The West bears some of the blame, but Russia must understand the strategic realities of its situation and act accordingly. Russia is a wedged bear in a great tightness, and its extraction is unlikely to be the stuff of children's tales.

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Hastening Korean Reunification

Nicholas Eberstadt

THE WRITING ON THE 38TH PARALLEL

WHATEVER THEIR differences, the five governments that must contend most directly with Pyongyang—Seoul, Washington, Beijing, Tokyo, and Moscow—all assume that a rapid reunification of Korea would run contrary to their national interests. Implicitly or explicitly, their policies all posit that a gradual drawing together of the two Koreas would be optimal for financial or geopolitical reasons.

In South Korea, pronouncements about unification have been explicit and detailed. In 1991, according to that year's July 4 *Washington Post,* then-President Roh Tae Woo declared, "Our people do not want an accelerated reunification." Despite his subsequent fall from grace and the perennial disagreements on the point in Seoul, this cautious sentiment continues to guide the South's policy. Studies by the Korea Development Institute, the Republic of Korea's (ROK) leading quasi-governmental economic think tank, have argued that "the German experience demonstrates that national unification involves enormous costs, and, going forward, this is probably the most critical concern for South Korea," and that "the experience of German national unification convinced a large number of South Koreans that sudden economic integration in Korea . . . will result in disaster."[1] Rather than risk derailing the South Korean economic "miracle," the prevailing

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consensus in Seoul goes, the South should try to plan for a reintegration with the North over a period of several decades, while the North reforms its polity and transforms its economy.

What are the alternatives? The notion of purposely working to prepare for, and thereby perhaps to hasten, Korea's reunification may seem fraught with risk—and it is. Such a strategy can offer no absolute guarantee that reunification would be peaceful. But in the perilous years ahead, no strategy can promise perpetual peace in the Korean peninsula—or northeast Asia, for that matter. Indeed, all of East Asia, as the political scientist Aaron Friedberg said in the Winter 1993-94 *International Security,* is "ripe for rivalry," and will be for many years to come. Under the circumstances, a policy that prepares for and attempts to expedite the coming of a free, peaceful, and united Korea looks decidedly superior to the alternatives.

Calculations that parallel the South Korean government's lead the four great powers of northeast Asia to a similar evaluation of the merits of a gradual reunification. Although President George Bush declared in Seoul in 1992 that "the day will inevitably come" when "Korea will be whole again," American policy does not anticipate that day any time soon. On the contrary, the "Agreed Framework" Washington reached with Pyongyang in 1994 outlines a prolonged and expanding American engagement with the Democratic People's Republic of Korea (DPRK). Brokered after the North's refusal to permit inspection of its nuclear sites, the document envisions Western construction of two modern reactors in North Korea at an estimated cost of over $4 billion in exchange for a freeze on the country's nuclear program, eventual inspections by the International Atomic Energy Agency, and the ultimate dismantling and removal of the suspect facilities and materials—obligations that are not to be fulfilled for years to come. Although positively disposed to Korean unification in the abstract, American policy includes no concrete designs for hastening it. In addition to Southern anxieties, the U.S. position is shaped by the possibility that Korean unification might

[1]Ha-Cheong Yeon, "Economic Consequences of German Unification and its Policy Implications for Korea," KDI Working Paper No. 9303, April 1993, p. 23; Hong-Tack Chun, "A Gradual Approach toward North and South Korean Economic Integration," KDI Working Paper No. 9311, November 1993, p. 4.

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mean the end of America's special security ties with and forward bases in the South—an arrangement that has, in Washington's estimate, helped stabilize the region and extend American influence in Asia.

China, Japan, and Russia have their own grounds for reluctance about a rapid Korean reunification. As the political scientist Chae-jin Lee has noted, the Chinese believe they "have no compelling reason to push for Korea's immediate political reintegration, even by peaceful means," insofar as they "view North Korea as a useful buffer zone that contributes to their national security" and at the same time enjoy a thriving commercial relationship with South Korea.[2] Japanese foreign policy is more opaque than that of most other westernized countries, but one ingredient in Japan's approach to the two Korean states is an abiding apprehension that a united Korea would pose greater economic and diplomatic challenges. Russia, for its part, is all but overwhelmed at the moment with its own internal troubles, and in this time of extreme weakness would not welcome a new regional power rising along its border.

Yet rough agreement among many concerned governments about the preferable pace for Korean unification is no guarantee that their judgment is correct. The twentieth century provides repeated examples of shared misperceptions in foreign policy, as the prologues to World War I, World War II, and even the Korean War attest. Tragic miscalculations about one's own national interests, furthermore, are more likely in periods when a regional balance is undergoing fundamental change, as on the Korean peninsula.

The assumption behind all these prognoses is that the North will gradually become reintegrated with the South. But in fact, the North is more likely to implode. The cherished vision of a gradual and orderly drawing together of the two Koreas is today nothing more than a fantasy. As time goes on, North Korea will only grow economically poorer and militarily more dangerous. For all parties affected, from the peoples of northeast Asia to the powers of NATO, the faster reunification takes place, the better. Many details of reunification remain uncertain, but Western powers must begin to consider what a

[2]Chae-Jin Lee, *China and Korea: Dynamic Relations,* Stanford: Hoover Institution, 1996, pp. 172, 171.

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sudden reintegration might mean. The Pacific powers can no longer classify the Korean question as a problem that can be postponed and then muddled through.

A WIDENING GULF

CONSIDER THE economics. The reintegration of the two Koreas, however it ultimately occurs, will involve major economic dislocations and place immediate financial burdens on the working-age population of South Korea (the first cohort of Koreans in recorded history, incidentally, to be unfamiliar with privation and unexpected material sacrifice). Moreover, the equalization of incomes in northern and southern Korea will inevitably be a long process—like the enforced separation that brought about today's disparities. But can a go-slow policy realistically promise to reduce the dislocations and expenses attendant on unification?

The vision of a gradual reintegration of the two Korean economies that many South Koreans so fondly entertain hinges on a big assumption. It implicitly holds that North Korea's government will someday embrace a program of economic liberalization and somehow survive to complete the decades of transformation the program would entail. Yet Pyongyang to date has vigorously opposed any liberalization of economic policies worthy of the name. There is nothing to suggest that North Korea is contemplating any such reorientation. The weight of the evidence, furthermore, indicates that the leadership believes economic liberalization would be lethal for the regime. The possibility that North Korea might meet the conditions that the slow reintegration scenario would demand is remote—if not utterly fanciful.

If the North cleaves to its traditional policy, the most likely outlook is continued economic decline. For the South, on the other hand, the most reasonable prognosis for the decades ahead is steady and perhaps substantial economic growth. Under such circumstances, both the relative and the absolute gap between the North's and the South's per capita income will continue to widen. Although reliable data about North Korea remain amazingly scarce, Pyongyang's own leadership acknowledges that the Northern economy is in a "grave situation." By the late 1980s, the economy was

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AP/WIDE WORLD PHOTO

Kim Kyong Ho, 62, in Seoul after leading his 16 family members on a dramatic 2,000-mile escape from North Korea through China and Hong Kong, December 1996

already showing severe strains. In 1991, the end of Soviet-bloc aid and subsidized trade dealt a heavy blow to an already ailing project. Throughout this decade, North Korea's hypermilitarized economy has apparently been shrinking; virtually alone among Asian countries, its foreign trade has been progressively diminishing. In the face of crisis, the DPRK leadership has been unwilling or unable to embrace the sorts of liberalizations that might revitalize their domestic economy. Thus, North Korea is caught in a spiral of economic degeneration, the latest manifestation of which has been the reported emergence in 1996 of widespread food shortages. In a symbol of cracks in the edifice, last December a family of 17 accompanied by a North Korean border guard reached Seoul after a six-week escape through China and Hong Kong, the largest defection since the Korean War.

The ROK, by contrast, in 1996 qualified for and entered the Organization of Economic Cooperation and Development, encompassing the advanced industrial economies. In just over a generation, South

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Korea has risen from poverty comparable to India's to living standards akin to those of Greece or Portugal. Although South Korea's hyper-rapid growth rate is likely to slow, even pessimists envision continuing and substantial improvements in productivity and living standards.

On such a trajectory, the longer the North Korean state survives, the wider the economic chasm that will separate North and South. The cost of unification—the investment needs of North Korea in relation to South Korean output—will likely grow steadily and perhaps swiftly every year reunification is delayed. While it is technically possible that the South Korean economy could grow faster than the North's needs, the further apart the two economies get, the greater the cost of bringing the North to parity with the ROK.

A widening economic chasm separates North and South Korea.

If the specter of German-style unification expenses is terrifying to some South Korean policymakers, they tremble before a chimera. Any number of careful studies have pointed out that the bulk of western German transfers to the new federal states since 1990 have been for social welfare payments, not investment. In eastern Germany, most of the costs of unification so far have resulted from a collision between politically popular but overgenerous wage increases, which priced a large portion of the *Ossi* work force out of the job market, and an extravagant, newly installed social insurance apparatus, which paid qualifying beneficiaries on the established *Wessi* scale. There is no reason for these particular expenses to be replicated elsewhere—especially not in the ROK, which for better or worse still lacks most of the adornments of a full-fledged welfare state. Moreover, Korean reunification will yield benefits as well as costs.

In the short run, reunification with a poorer partner could help relieve South Korea's incipient labor shortage, reduce pressures on wages and other production costs, and enhance Korea's international competitiveness. While South Korean workers may not relish that short-term prospect, a fusion of the two Korean work forces could increase purchasing power and living standards for the great majority in both the North and the South. Over the long run, as northern Korea's infrastructure and industrial capacity are renovated, all of

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Korea could experience dynamic supply-side effects. The flip side of North Korea's current infrastructural obsolescence—of the likely need to scrap almost all the North's current production facilities—is the coming opportunity to replace decrepit plants with state-of-the-art equipment embodying the latest technology.

As in postwar Japan and West Germany, wholesale reconstruction of an industrial base can bring unexpected economic advantages: it can lower production costs, stimulate work force skills, dramatically raise productivity, and lay the foundations for sustained economic growth. Those advantages accrued not only to Japan and West Germany, but also to the economies with which they were integrated. While the analogy is inexact, the modernization of the North Korean economy could offer enormous spillover benefits for southern Korea. Nor would the benefits be limited to Korean nationals. Success in that venture would strengthen the framework for prosperity throughout northeast Asia and the Pacific; it would spur international economic development through favorable investment opportunities, an expanded domestic market, and improved quality of exportable goods and services.

Apprehensions expressed in some circles in Russia and China about being crowded out by the economic reconstruction of a united Korea are almost certainly misplaced. The global capital market is enormous and rapidly growing: in 1995 alone it financed over $1.2 trillion in international borrowing and facilitated an almost $300 billion flow of foreign direct investment.[3] On the other hand, the boom in domestic demand that would follow reunification would likely offer wide-ranging and lucrative business opportunities to all the Pacific powers. One of the most intriguing economic implications of a successful reunification involves integration of the Chinese, Russian, and Korean markets. To date, *juche* economics, or North Korean central planning, has effectively precluded the development of infrastructural or commercial links between the North and nearby areas of China and Russia. With a southern-style business climate in northern Korea, a significant growth triangle could at last establish itself in the three countries.

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[3]Organization for Economic Cooperation and Development, *Financial Market Trends*, No. 64, June 1996.

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Korea's reunification can be likened to a gigantic investment project. If the rate of return for that project is high, the costs will take care of themselves. While achieving and maintaining the necessary rates of return will not be easy, it is surely not the hopeless task that some in Seoul think. With prudent and coordinated preparations by the ROK and its allies, the chances that reunification will be an economic success—even if it takes place on very short notice—can be greatly increased.

THE WEAPONS LEDGER

IF THE ECONOMIC prospects of a more immediate and deliberate Korean unification are decidedly less menacing than so often depicted, what of its possible political and strategic ramifications? There is sometimes merit in deferring difficult or contentious issues—and the Korean question assuredly qualifies as one of these. But because North Korea's economic circumstances are only likely to worsen even as the lethality of its weapons of mass destruction improves, the shocks to the region that the demise of the North Korean state might trigger are unlikely to be mitigated simply by postponement. In the meantime, the costs of maintaining the unstable balance in the Korean peninsula—already nonnegligible for the United States—stand only to rise. From a financial perspective, in addition to underwriting military deterrence in South Korea, Western governments now envision substantial outlays to Pyongyang for economic and humanitarian aid. The Agreed Framework is but one of several mechanisms for such transfers. To the extent that the great Pacific powers think about Korean security in a two-state framework, they will be ineluctably drawn to subsidizing the Northern system as its internal crises mount.

On a separate ledger, given the North's constantly improving arsenal, the extended survival of the North Korean regime will raise both the probability and the expected intensity of out-of-theater security threats facilitated by DPRK sales or transfers of arms to extremist governments or terrorist groups in other parts of the world. While none of the policy alternatives facing the North Korean leadership today can look terribly attractive, a strategy of continuing to augment the North's potential to inflict devastation on both neighboring and more distant countries may appear more promising—and indeed, more logical—

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than any other option. After all, what sort of consideration could Pyongyang expect from the world community if "the North Korean question" were merely a humanitarian problem? To extend the life of the state, by this reasoning, it is imperative to upgrade the threat posed by weapons of mass destruction. Indeed, as best can be told, this is exactly what North Korean policymakers are attempting to do. For while the effectiveness of a conventional army will eventually be compromised by the decay of the national economy, the killing force of these particular instruments is much better insulated against such adverse trends.

Although North Korea's program for developing nuclear weapons is widely thought to be suspended, the DPRK has reportedly established a nuclear warfare command and may have one or more atomic bombs in its possession. The nuclear option, in any case, is only one component of the DPRK's overall program. North Korea has extensive capabilities for manufacturing chemical weapons, including nerve gas; according to some reports, it may have the world's third-largest inventory of these compounds. And North Korea has been working feverishly for decades on long-range missiles. By the early 1990s, Pyongyang was experimenting with the No Dong class of missiles, with a range estimated at 600 to 800 miles. Today it is developing the Taepo Dong, which when perfected may have a range of up to 6,200 miles; according to some analysts, this intercontinental ballistic missile could be ready as early as the year 2000.

Although such threats would likely prove most burdensome to the United States, the only one of the four Pacific powers with truly global interests and obligations, all of the others would be affected by the destabilization that weapons of mass destruction can cause in distant venues, such as the Middle East.

AND WHAT OF THE ALTERNATIVES?

TO APPRECIATE the difference between a watch-and-wait strategy and deliberate preparation, one may begin by imagining how international relations in northeast Asia would be altered if a single democratic state governed in Korea. Two great imponderables tower over this thought experiment: the evolution of China and the evolution of Russia. Nonetheless, a free and united Korea would be a force for stability and prosperity.

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For northeast Asia, perhaps the most dramatic implications of a successful Korean reunification would be military. At the moment, nearly two million Korean troops confront each other in that divided land. A free and united Korea could commence a far-reaching demobilization, releasing hundreds of thousands of military personnel for economically productive undertakings, retiring armaments that were once trained across the demilitarized zone, and decommissioning the peninsula's weapons of mass destruction. Such disarmament could still leave Korea as a power to reckon with, but it would also recast the conventional and nuclear logic of the region. It would stand in contradistinction to the arms buildup that has been under way in East Asia since the 1980s and has continued unabated since the end of the Cold War. While it would not alter the ambitions of other governments—a key factor in any true arms race—disarmament could substantially change the nature of risk perception and defense sufficiency in the region and attenuate pressures for further buildup.

Unification would release personnel from the military for productive purposes.

While a continuing division of Korea invites a competitive proliferation in northeast Asia—with the South and Japan, in one reading, eventually opting for nuclear defense to counter ominous tendencies in the North—a united Korea could make good on Seoul's pledge to forswear nuclear weapons. In addition to ending the threat from Korea as a possible purveyor of weapons of mass destruction, unification would strike a second blow against international proliferation by complicating surreptitious merchandising by China.

Unification would also change the tenor of relations in northeast Asia. With a single democratic government on the Korean peninsula, many regional sources of tension would vanish. While a united Korea's chosen alliances and alignments might matter greatly to the powers of the Pacific, they would probably not constitute a casus belli. With open and accountable governance, civilian rule, and enthusiasm for commercial progress, a united Korea's foreign policy would likely be moderate and pragmatic—as the ROK's foreign policy beyond the peninsula is today. A united Korea's domestic arrangements could

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also affect international politics; the example of a solid civil society in Korea would support neighboring Russia's quest for stable civil institutions and encourage their development in China.

The spillover economic benefits of reunification also have a political payoff, integrating the countries of the region in a set of cooperative commercial relationships. The striking point about a successful Korean reunification is that it would benefit all the populations of northeast Asia. Those dividends are by no means assured, but careful and concerted effort can bring them within reach.

NORTH KOREA IS THE NUCLEAR PROBLEM

EVERY GOVERNMENT in northeast Asia can help improve the chances for rapid reunification. But two constraints loom large. The first is that neither China nor Russia can be counted on to cooperate in multilateral deliberations about what follows the end of North Korea. The second is that the allies most likely to cooperate in those preparations—the South, Japan, and the United States—have already restricted their freedom of maneuver through the Agreed Framework.

For obvious historical reasons, Washington's security relationships with Beijing and Moscow are vastly different from its relationships with Seoul and Tokyo. For similar reasons, China and Russia can be expected to regard an American design for a new Korea with considerable suspicion. China in particular has reason to appreciate the Korean status quo. Given its close economic and political ties with both Korean governments, the Chinese state now enjoys a more favorable position in Korea than at any point in the past century and a half.

Weighing against the impediments to cooperation, though, is the compelling fact that the current order in Korea cannot last. It is in both China's and Russia's interests to help shape the order that will follow. Moreover, Chinese and Russian interests coincide with the joint interests of South Korea, Japan, and the United States in fundamental respects.

If Middle Eastern oil exports were disrupted tomorrow by a crisis involving North Korean–made weapons of mass destruction, for example, China—which is becoming a major global oil importer—

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would suffer directly. Conversely, both Russia and China would reap commercial and security benefits from a successful Korean reunification. Therefore, they have strong incentives for approaching reunification together with the United States and its allies. The task for U.S., Japanese, and South Korean diplomacy, then, is not to convince Russian and Chinese leaders to submit to a Western strategy for Korea, but rather to encourage them to think clearly and realistically about where their own interests lie.

The Agreed Framework poses a rather different set of problems. This complex document outlines an extended schedule of financial, material, and diplomatic benefits that Pyongyang may obtain from a U.S.-led international consortium if and when the North passes a variety of milestones, mainly concerning compliance with the nuclear Nonproliferation Treaty but also involving such things as détente with South Korea and arms control. As negotiators on both sides have pointed out, the document is not a formal agreement, but a road map. Some, however, have observed that the agreement's ambiguities expose the United States and its allies to the worst of two diplomatic worlds, possibly obliging Washington to behave as if it were bound by treaty while permitting Pyongyang to decide when and whether it will honor its corresponding obligations. The range of envisioned Western-DPRK engagements restricts the range and scope of Western reunification strategies.

Domestically, reunification means doing what the South should be doing already.

If Western governments are not to be ensnared, they must honestly recognize the Agreed Framework for what it is. The document does not solve the North Korean nuclear problem, but simply permits both sides to settle the matter later on. The North Korean nuclear "problem," for its part, does not derive from the technical specifications of the North's Soviet-style reactors, but rather from the inherent character and intentions of the North Korean state. The North Korean regime *is* the North Korean nuclear problem, and unless its intentions change, which is unlikely, that problem will continue as long as the regime is in place. If Western governments believe they can influence the nature of that state, they should assess

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their progress—or lack thereof—carefully and unflinchingly. But to allow this document to compromise preparations for Korean unification would be a grave mistake.

SOUTHERN HOSPITALITY

THE WESTERN countries with the greatest prospective influence on Korea's reunification are South Korea, the United States, and Japan. What sorts of things could each of them do, bilaterally or multilaterally, to improve the odds of a free, peaceful, and successful reunification? As a first but vital step, Seoul should make preparation an immediate national priority and begin to design long-range policies. Political leadership in the South must increase the South Korean public's awareness of the tests that lie ahead and make the case that these tests can only be successfully surmounted by sensible strategy and concerted collective effort.

As they contemplate the coming trials, South Koreans may recognize that the most important item on the agenda, paradoxically, is domestic reform. In the domestic realm, preparing for reunification mainly means doing what the South should be doing anyway. But such preparation also has a bearing on South Korean defense policy and the posture toward the North. If a free and peaceful reunification is indeed consummated, the subsequent success of the project will depend greatly on the dynamism of the South's economy, the resilience of its society, and the stability of its polity. Despite the South's great strides in these areas over the past generation, there is unfinished business in each of them.

South Korea's transition from a dirigiste system to a fully open market economy is not yet complete. Despite a decade and a half of liberalization, the country's economic performance continues to be limited by costly distortions. Agricultural protectionism in South Korea, for example, is even more extreme than in Japan or the European Union; the country's financial capital markets are still artificially segmented and sheltered against competition; and extensive nontariff barriers (most notoriously the "import diversification" strictures against Japanese products) interfere with trade. These distortions constrain the South Korean economy's productivity and flexibility.

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And, as is well known in international business circles, the South's climate for foreign direct investment is not especially hospitable. But in reconstructing the North, the alternative to foreign direct investment would be higher exactions from South Korean taxpayers.

These reforms would bring benefits in their own right, and the same may be said of civil and legal reforms. Despite the South's achievement of constitutional civilian rule, progress in civil and administrative law has lagged. Incontestable guarantees of the rights of the individual, including private property rights, and of accountable, transparent governance are intrinsically desirable and beneficial. The credibility of a united Korea's political system will depend on openness, impartiality, and equality before the law. What South Korean President Kim Young Sam once termed "the Korean disease"—the persistent weaknesses of the civil and legal system—could become a virulent illness if it is not cured before reunification.

Preventing war and forging a successful reunification will require close cooperation with all the South's allies, including Japan. Although Seoul's ties to Tokyo have been deepening and warming for decades, there is still ample room for improvement. The 1996 squabble over the disputed Tokdo-Takeshima islands, which culminated in a South Korean military landing on those barren rocks, is exactly the sort of distraction that a defense policy for South Korea cannot afford. If deterring North Korea is the objective, moreover, the merit of South Korea's costly current program to develop a submarine fleet is hardly self-evident. Adding insult to injury is the intended symbolism in the program. The most recent addition to the South Korean submarine fleet, for example, was named Chung Un-ho, after a Korean admiral who directed some successful sea battles against Japan four hundred years ago.

With regard to North Korea, the South must begin to think not only about deterrence but about reconciliation. Healing the wounds of divided Korea promises to be a monumental task—one that may take generations to complete. But the process can begin now. Committing the South to a "malice toward none" policy after Korean unification, and to guaranteeing ordinary northerners the same civil and political rights as southerners, would send an important and stabilizing message. Working to open lines of communication and expand people-to-

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people contacts could increase familiarity and reduce misunderstandings on both sides. South Korean society today is strong enough to withstand any attempts Pyongyang might make to manipulate such overtures; Seoul would be wise to capitalize on that strength.

The United States can shape the prospects for Korea's reunification through diverse instruments, but its unique and indispensable contribution is in the realm of security. Just as the U.S. military commitment to the South has been the sine qua non of deterrence on the peninsula, a vibrant U.S.-South Korean security relationship in a united Korea will be critical to the success of reunification. Rebuilding the economy of northern Korea will be an expensive undertaking that will proceed more rapidly, and place less of a burden on Korean taxpayers, if the international capital market can be harnessed. The attractiveness of post-unification Korea for overseas investors will depend on perceptions of risks and rewards; an American security commitment would lower risk premiums.

For Washington, however, preparing for Korean reunification will mean more than thinking about bases and places. As the world's predominant economy, and as the presumptive leader of any strategic Western initiative in northeast Asia or other regions of the globe, responsibilities for coordinating an international approach to Korean unification will almost naturally devolve on the United States. Managing such an effort wisely and effectively will be a tremendous task—no less taxing or delicate than the historic endeavor that united Germany in 1990.

To consider Japan's prospective influence on Korean unification is to beg the question of Japan's role in the world. In this century, Japan has never had a "normal" foreign policy: before World War II, it was an insatiable and revisionist power; after its terrible defeat, it has been a meek, one-legged giant. To this day, it is difficult for the Japanese to discuss their national interests—even in the Korean peninsula, where those interests are so directly and dramatically affected.

For better or worse, until Japan can play a role on the international stage in the same manner as other industrial democracies, its contributions to a successful Korean reunification are most likely to be made through the two diplomatic channels that Tokyo is most comfortable with: international finance and multilateral institutions.

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Fortunately, much can be done through both. If Korean reunification is to succeed, it will presage a significant expansion of trade and require substantial commitments of foreign capital. Japan's government and the Japanese business community can begin now to focus on the potential of mutually beneficial economic cooperation in a united Korea and on the problems that must be avoided or solved if such cooperation is to bear fruit. Japanese business is well placed to participate in the major infrastructural development projects that could draw together the economies of northern Korea, China, and Russia.

Much can also be done in multinational forums. Preventing North Korean sales of weapons of mass destruction or nuclear-capable missiles, for example, is an immediate problem that can be addressed through multilateral diplomacy; Japan could be a persuasive lobbyist for a resolution empowering U.N. members to interdict the transfer of such materials to violators of the nuclear Nonproliferation Treaty. In the years ahead, Japan could use its growing influence at the World Bank and other multilateral development banks to encourage those institutions to devote their technical expertise and financial resources to meeting the challenges that Korea's reunification would entail.

The list of possible initiatives and policies could be extended and elaborated. The point, however, is short and simple. Northeast Asia can live with a united Korea—in fact, it could be considerably more comfortable with a single free Korea than with the present arrangement. It is time for statesmen in the Pacific and beyond to think about how to make Korean reunification a success—because success or no, reunification is coming.

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Latin America's Underperformance

Sebastian Edwards

THE SHORT FUSE OF REFORM

IN THE LAST few years Latin American economies have undergone a remarkable transformation. Nations that sneered at the market system and pursued protectionist policies have suddenly embraced structural reforms aimed at stabilizing their economies, deregulating business practices, and becoming integrated with the rest of the world. After the Mexican peso crisis of December 1994, many observers predicted this process would end or, in some nations, be reversed. Their prediction proved false. Perhaps surprisingly, the reform effort continues—albeit at a different pace—in most countries. Now it appears that the Mexican crisis was a wake-up call for the region. Most political leaders realize that the reform process must intensify in order to build truly robust economies.

It is unclear, however, whether more rapid reform will be politically feasible. After almost a decade of reform, the region has little to show in improved economic performance and social conditions. Poverty has not been reduced. Growth has been modest at best. In many countries wages have stagnated and job creation has been sluggish. The reining in of inflation has been one of the few commendable accomplishments.

Until recently the Latin American population had given remarkable support to the reform process, rewarding political leaders who tackled their countries' perennial economic problems. The reelection of President Carlos Saúl Menem in Argentina and the election of President Fernando Henrique Cardoso in Brazil have been perhaps the best examples.

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It is doubtful, however, that this support will last without faster growth and higher wages. For how long will the population be willing to make sacrifices? Is it realistic to ask the public to continue to back politicians who request patience while they are unable to deliver improved economic conditions? An increasing number of people are disillusioned, and there is a slowly growing sense of reform skepticism. The support for Abdala Bucaram's anti-reform platform in his election as president of Ecuador, the declining approval ratings of President Cardoso and President Alberto Fujimori in Peru, the general discontent in Argentina, the rejection of the reform program in Mexico by PRI members of Congress, and the violent demonstrations in Paraguay reflect increasing disappointment with the reform process. These events have shown that the Chiapas rebellion in Mexico may not have been an isolated incident, but rather the first sign of deep and growing dissatisfaction in Latin America.

In democracies, the durability of market-oriented reforms depends on the extent to which voters support the reformist government. The public generally supports governments that deliver solid economic performance. But under some circumstances, voters will back reformist governments even if the economy underperforms. What is important to realize, however, is that such backing is likely to be temporary. If the economy does not undergo a turnaround, voters will desert a reformist incumbent.

This dynamic suggests that unless growth accelerates, real wages increase, and unemployment declines, political support for Latin American reformist governments will erode. The prospects for faster growth and higher real wages depend on many factors, especially the Latin American countries' ability to increase exports. Rapid growth with rising real wages will require both higher export growth and an increase in the value-added content of the region's exports. Achieving this upgraded export growth is the region's fundamental challenge.

MOVING ON UP

DURING THE first half of the 1990s, most Latin American economies underperformed. Between 1991 and 1996, GDP in Latin America and the Caribbean grew at modest rates, 3.1 percent on average. On the positive side, inflation continued to decline, reaching 19 percent in

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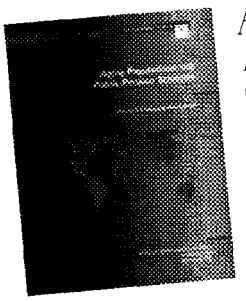

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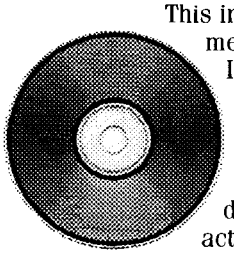

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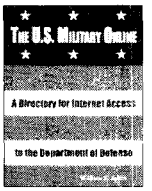

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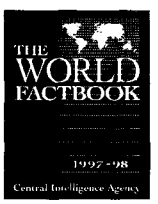

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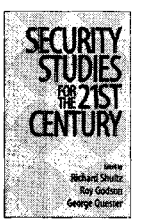

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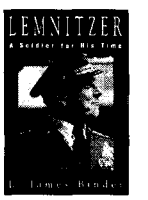

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LATIN AMERICAN GDP GROWTH

	1991	1992	1993	1994	1995	1996
ARGENTINA	8.9	8.6	6.0	7.4	-4.6	3.2
BRAZIL	0.4	-1.2	5.3	5.8	4.1	3.1
CHILE	7.3	11.0	6.3	4.2	8.5	6.8
COLOMBIA	2.0	4.0	5.2	5.7	5.3	3.1
ECUADOR	5.0	3.6	2.0	4.3	2.3	2.9
MEXICO	3.6	2.9	0.7	3.5	-6.2	4.2
PERU	2.9	-1.8	6.4	13.1	7.0	2.0
VENEZUELA	0.7	6.1	0.3	-2.8	2.2	-1.1

(PERCENTAGE GROWTH)
SOURCE: WORLD BANK

1996, compared to more than 200 percent in 1991. And, after a rapid increase in the early 1990s, the region's current account deficit fell to just 2 percent of GDP in 1996. During this period, however, the region experienced uneven economic development. Chile, El Salvador, and Peru grew at high per capita rates while managing to maintain inflation, while Mexico and Nicaragua had no growth.

The region's economic growth is disappointing in three ways. It is much lower than the region's historical average of 6 percent from 1965 to 1980; it is significantly lower than East Asian growth rates, which have become the benchmark; and it is far below the minimum rate of growth required to reduce poverty—3.4 percent annually, according to the World Bank.

Latin America's performance has also been disappointing from a social perspective. In most countries, social conditions, particularly poverty, have not improved. In several countries, unemployment has increased sharply, raising the question of whether these market-oriented economies will create jobs fast enough to absorb a growing labor supply. In 1996, growth increased to an average of 3.1 percent in the region, and for 1997 it is expected to climb to 4 percent. Although this recovery would be a significant improvement over the modest performance of 1995, it is insufficient for the long term. In spite of this recovery, 1996 was another year of underperformance for Latin America.

Abundant evidence suggests that countries with an open economy grow faster than those that restrict international trade. A rule in economics suggests that in a small, open economy the rate of GDP growth

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will be approximately half that of exports. During the initial years of reform in Latin America, exports did indeed grow faster than in the past. In most cases, however, this trend is changing. The U.N. Economic Commission for Latin America has reported that, excluding Mexico, the region's export volume grew by only 3.6 percent in 1995. Moreover, in some of the largest countries like Brazil, Colombia, and Peru, export volume continued to grow at modest rates during 1996. If the region is to achieve faster growth, exports must pick up significantly.

A country can raise real wages by altering its export pool.

What a country exports is almost as important as the pace at which exports expand. Countries that are active in international trade and export high-value-added goods—goods whose production requires relatively high volumes of capital, sophisticated technologies, and skilled labor—have high real wages. Countries that export basic goods, on the other hand, have lower real wages. It is therefore possible to increase a country's real wages by changing its export pool.

Sweden's economic development illustrates this relationship between real wages and export bundles. In 1958 Sweden exported only natural resources, mostly forestry goods. By 1988 Sweden had significantly increased its investment in physical and human capital. As a result, in addition to forestry goods, its net exports included a high volume of capital-intensive manufactures and machinery. The shift in trade toward manufactured exports resulted in significant increases in Swedish real wages.

Almost a decade after the initiation of market-oriented reforms, most Latin American countries continue to export mostly resource-based products with low value added. This situation contrasts sharply with that of China and India, which have rapidly upgraded their export mix and captured a growing share of the light manufactured export market. A key challenge for Latin American policymakers, then, is how to increase net exports of higher-value-added manufactures without imposing trade barriers or distorting the market system.

The solution has three parts. First, countries should accumulate capital—both physical and human—through higher investment and improving their education systems. This, in turn, will require imple-

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mentating a new generation of reforms. Second, countries should increase their share of the high-value-added export market. This is not an easy task. The pace at which the world economy—and especially the richer countries—can absorb imports of manufactured goods is limited. Furthermore, competition among developing countries is stiff. Third, sustained export expansion requires exchange rates that are realistic.

THE NEXT GENERATION OF REFORM

MOVING UP the export value-added ladder and accelerating growth will require significantly increasing the rate of investment. The World Bank's *World Development Report 1996* reports that Latin America's aggregate investment was 20 percent of GDP in 1993, compared with 36 percent in East Asia. In order to increase investment, the region must face two enormous challenges: increasing domestic savings from their current anemic levels and attracting more foreign direct investment.

Latin America saved an average of 19 percent of its GDP in both 1980 and 1994. That figure contrasts sharply with fast-growing regions that save up to 35 percent of GDP. Most policymakers now recognize that raising domestic savings is essential. President Ernesto Zedillo has made it the primary goal of Mexico's development plan. Acknowledging the importance of savings represents great progress relative to the early 1990s, when most regional analysts were oblivious to the problem.

The most direct and effective way to raise aggregate domestic savings is to increase public sector savings. With few exceptions, however, fiscal policy remains lackadaisical, and the public sector contribution to savings remains low. Brazil is perhaps the clearest example of this problem. Despite success on the inflationary front, the country continues to have a budget deficit near five percent of GDP. Latin America's public savings have typically been on the order of one to two percent of GDP, much lower than in East Asia, where public savings have averaged around eight percent. New fiscal adjustments, especially the reduction of inequitable entitlement programs, corruption, and waste, must be implemented to increase public savings.

Reform of the insolvent pay-as-you-go social security systems provides an important mechanism for raising domestic savings. These

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reforms, recently undertaken by seven Latin American countries, recognize and reduce unfunded liabilities of the old system. This by itself results in an increase in public savings since it forces government to truly finance these liabilities. Replacing a government-run social security system with private capitalization also increases private savings. Strengthening domestic capital markets, lowering taxes on corporate and personal savings, and, in particular, creating a safe and efficient banking sector will also encourage private savings.

In some countries, social security reform has run into political opposition, while in others, new systems have serious shortcomings. For example, the Brazilian Congress, after much debate, passed a basic reform that falls considerably short of what is needed to ease the fiscal burden. Uruguay has enacted a hybrid system that restricts the role of the private sector and maintains unfunded liabilities at more than 100 percent of GDP. Mexico's reform has a number of provisions that are likely to reduce its effectiveness, including voluntary transfer to the new system after retirement and a requirement to channel contributions through the government social security agency.

Foreign direct investment is another way to increase capital accumulation. In 1995, partly because of the Mexican crisis, foreign direct investment in Latin America declined. Even in 1994, when it peaked, foreign investment in the region totaled only 1.4 percent of GNP. In East Asia, by contrast, foreign investment has surpassed 3.2 percent of GNP in every year since 1993. This disparity, in spite of the market-oriented reforms, results from the impression that long-term investment rules remain unstable in Latin America. Only two Latin American countries—Chile and Colombia—have been granted investment-grade ratings by international rating agencies.

The next few years will bring tremendous global competition for foreign investment. Latin America will have to compete with East Asia and Eastern Europe for foreign investors. The recent relaxation of restrictions on foreign ownership in South Korea is likely to result in massive flows of investment into that country. If the Indian government continues to support reform, it will be rewarded with more foreign investment. The consolidation of reform in Eastern Europe will attract further support. Latin American countries have their work cut out for them.

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In order to compete successfully with other emerging economies, Latin American countries should implement a number of measures aimed at reducing country risk and improving their investment ratings. Without investment-grade ratings by international agencies such as Standard & Poor's and Moody's, it will be difficult for Latin American countries to attract significant foreign investment. Reducing country risk will require new institutions that provide stability. Such changes are part of what have been called second-generation reforms, and include the modernization of labor legislation and the judiciary.

State institutions should reduce transaction costs. That is, they should foster an environment in which individuals are confident enough to devote their time to productive activities, rather than to defending their property and lobbying for bureaucratic favors. State institutions should protect broadly defined property rights, enforce contracts, and provide an efficient system of conflict resolution. This setting requires not only the traditional separation of constitutional powers, but also independent and professionally run regulatory bodies. Even after years of reform, Latin America falls considerably short of that ideal. Conflict resolution mechanisms are primitive, the judiciary is inefficient and corrupt, and property rights—especially the rights of minority stakeholders—are systematically violated. As a result, in most countries people spend significant resources in unproductive ways. Second-generation reforms should aim to maintain macroeconomic stability through truly independent central banks, impose budget restraints on subnational governments, and create a modern national civil service.

Little is known about the process leading to massive institutional change. This process may generate frustration and, at times, disenchantment. But it is important that the regional leadership recognize that without these reforms Latin America will lose the race to attract foreign investment.

BACK TO BASICS

ACHIEVING SUSTAINED growth with increasing wages will require improving the quality of education. Latin American children have two fewer years of formal education than children in other regions at a comparable stage of development. A staggering 30 percent of stu-

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dents in primary school repeat grades, and students spend close to half their time receiving instruction on mechanical exercises. Students in public elementary schools get an average of 800 hours of instruction a year—and as little as 300 hours in rural areas—compared with approximately 1,200 hours in rapidly growing countries and advanced nations. The problem is not lack of resources. Public sector spending on education is 3.7 percent of GDP in Latin America, versus 3.4 percent in East Asia. Yet the quality of Latin American education is among the poorest in the world. Standardized tests indicate that Latin American children rank at the bottom of international scales.

Once again Chile has become a pioneer in the Latin American region by tackling one of economic development's most difficult problems. In June 1996, Chile announced a major initiative to address the country's educational system. The project's goals are increasing productivity, reducing inequality, and assuring the sustainability of Chile's so-called economic miracle. The education reform project calls for increased teacher accountability and an end to two shifts in public schools. Instruction time will increase by one-third. Once the reform is completed, Chilean schoolchildren will have as many instruction hours as children in East Asia. The reform will affect 9,000 public schools at a significant cost—about 3 percent of current government expenditures.

GETTING TO MARKET

ONE OF China's most impressive recent achievements is its increase in export market share, especially of basic manufactures. In the years to come Latin American countries must emulate China's success and capture a larger share of the world market, especially in advanced countries.

Geography can play a role in accessing large markets. Simply put, distance matters. Countries that are close to large markets—such as the United States, European Union, and Japan—have a clear advantage in gaining market share. For example, Mexico is blessed by its geographic proximity to the United States. Countries that are not well positioned must take positive steps to increase their economic proximity to large markets. Australia, New Zealand, Taiwan, and Singapore have done this successfully.

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Improving the quality of infrastructure—especially roads, telecommunications, and ports—is an effective way for a country to compensate for poor geographic proximity.

International comparisons reveal that export-driven growth cannot occur with third-class infrastructure. During most of the 1980s and the first half of the 1990s, infrastructure investment was neglected in Latin America. The region has inadequate power generation, roads, water supply, and telecommunications. Telephone calls take a long time to be completed—when they are completed at all; a large number of roads are in deplorable condition, adding substantial costs to transportation; and power outages are common occurrences in many areas. The World Bank has calculated that $60 billion per year in infrastructure investment would be required through the year 2000 to make up for these deficiencies. The infrastructure investment required during the rest of the decade represents about 4.5 percent of regional GDP and is larger than the combined annual regional lending of the World Bank and Inter-American Development Bank. The bulk of infrastructure investment will have to come from the private sector, both domestic and foreign.

The Latin American countries must capture a larger share of the world market.

Infrastructure requires large investments whose returns are realized over many years. These returns can be lowered by unwise government decisions, such as the imposition of new tariffs or unfair competition from state-owned enterprises. Large private investments in infrastructure will be made only if a government can credibly commit itself to respecting the regulations governing tariffs and market access. An efficient and independent judiciary is also necessary to ensure contracts are respected and to resolve conflicts at low cost. In many Latin American countries the judicial system is antiquated. A 1996 study by the independent think tank Fundación de Investigaciones Económicas Latinoamericanas in Buenos Aires suggests that in Argentina the administration of justice is more inefficient and costly than in any other country in the Western Hemisphere. Trials are exceedingly long, imposing enormous costs on the private sector.

When building its infrastructure, Latin America will again face stiff competition from Asia and Eastern Europe. To remain competitive,

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Asia will require an estimated $7 trillion in infrastructure investment in the next 25 years, of which at least $1.5 trillion will have to be invested in the next ten years. India will need $200 billion in the next decade to upgrade its infrastructure to minimal levels. The competition will be hard. But if Latin America's second-generation reforms move forward, the rewards promise to be substantial.

TODAY AND TOMORROW

MOST OF the policies discussed above will take years to bear fruit. Reform fatigue, however, has already arrived, and the electorate may not have the patience to wait. What can be done now? Are there policies that could accelerate growth in the short run? The options, unfortunately, are limited. Rapid and sustainable growth will take place only if economic fundamentals—investment, education, long-term foreign financing—are strong. Macroeconomic management, however, can make a difference in the short run. Countries that value their currencies realistically and reduce deficits and real interest rates will experience a sustained recovery. These policies may allow countries to regain—and in some cases even surpass—the export growth of the early 1990s.

Countries that rely on currency overvaluation to artificially reduce inflation are bound to experience speculative attacks that will hurt growth. Unfortunately, using the exchange rate to make short-run progress on inflation can be seductive. This is what Brazil has done during the last 18 months, and unless it takes corrective measures, it is bound to face an economic crisis. Ecuador, under the leadership of the populist Bucaram, is also embarking on an overvaluation adventure by adopting a pegged exchange rate in the face of major fiscal imbalances. Mexico, once again, seems to be forgetting the lessons of history by insisting on appreciating real exchange rates and relying on short-term foreign capital.

Policies aimed at strengthening banks may pay off. The Mexican peso crisis demonstrated that a weak banking sector will magnify external shocks, heighten uncertainty, and reduce investment. Measures that ensure that banks maintain sound lending practices are likely to enhance public confidence and help increase savings. Sound

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banks will also encourage longer-term foreign financing. Policies geared to reducing tax evasion and corruption are likely to boost short-term growth. Such policies, however, are no substitute for strengthening economic fundamentals.

Two years ago, at the Summit of the Americas conference in Miami, President Bill Clinton prematurely declared Latin America's market-oriented reforms a success. Despite tremendous progress in deregulating markets, privatizing state-owned enterprises, and taming inflation, there has been little improvement in social conditions.

Almost a decade after the initiation of market-oriented reforms, most Latin American countries are caught in a trap: they must implement deep institutional reforms to reduce perceived country risk and achieve sustained growth. Many of these second-generation reforms, however, are politically difficult and unpopular.

Overcoming decades of government domination of the economy and inequality will require political courage. It is unclear in how many countries this courage will prevail. It is likely that we will soon see a two-, three-, or even four-speed Latin American economy. In some countries, like Chile, second-generation reforms will be undertaken rapidly; in others they will take a long time, and in still others they will not be implemented at all. Poles of prosperity and modernism and pockets of poverty and backwardness may soon mark Latin America's economic landscape.

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China's Troubled Workers

Anita Chan and Robert A. Senser

SWEATSHOP SOCIALISM

FOR FINANCIAL MANAGERS monitoring trade from the tall towers of Wall Street, China's high-growth economy inspires awe and investments. To the men and women employed on the factory floor of the People's Republic, however, the economic scene looks grimly different. China's workers are in trouble, some in deep trouble.

Since their inauguration in 1978, Deng Xiaoping's economic reforms have wrought vast changes in the nation's labor force. While diversifying the types of enterprises in China, the reforms have exacerbated labor problems across all of them: state-owned firms, joint ventures, urban, township, and village collectives, domestic private firms, and foreign-funded enterprises. A key innovation of Deng's "socialism with Chinese characteristics" was that some people would "get rich first." But most workers, the supposed "masters" of the country, are still waiting for their share.

Some economists claim that the workers' day will come with further growth, but double-digit growth rates do not necessarily translate into a better life for workers. After a decided improvement in living standards during the first half of the 1980s, income inequality has widened, with workers' social status declining apace. In 1978, 27 percent of the members of the National People's Congress were worker representatives. Their numbers declined to 15 percent in 1983, 12 percent in 1988, and 11 percent today. Worse yet, many so-

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MAGNUM PHOTOS / BRUNO BARBEY

Chinese workers in a textile factory, Sichuan Province, China

called worker representatives are now from the managerial ranks, rather than model workers as in the Maoist days.

Nor is the worker's voice likely to become more influential when the next Congress takes office in 1998. In state enterprises, where the Communist Party has a large membership base, the party committees have been emphasizing recruitment of managerial and technical employees, not ordinary workers. In enterprise-level work councils, still touted as prime vehicles for worker participation, worker representatives are heavily outnumbered by managers, professionals, and technicians.

Reality contradicts the ideological pronouncement that managers and workers alike are members of the working class. Feng Tongqing, a teacher at Beijing's central training center for union officials, observes in his book *Speaking Without Reservations*:

> The traditionally defined working class has split into at least three cohorts: (1) managers and other senior management staff, (2) engineers and technicians, (3) shop floor workers, each distinctive, with its own division of labor in production and lifestyle. Because there are great gaps between these three cohorts of individuals in terms of power, prestige, and income, conflicts between them are inevitable. Here lies the root of workers' resentment about their own deteriorating status in the enterprise as well as in society.

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In pre-reform days, enterprise managers received salaries only three or four times higher than the pay of the average worker. Now they can earn up to 300 times more, not counting wealth gained through corruption.

It is not just income disparities that fuel worker resentment. Under the headline "We Can't Take It Anymore," the Beijing *Workers' Daily* on April 17, 1996, reported on a letter from 24 workers in a Guangdong joint venture called Zhaojie Footwear, managed by its Taiwan partner, Zhongjie Footwear. "The company beats, abuses, and humiliates us at will," the workers wrote. Everyday punishments, the paper found, included forcing workers to "hop around like a frog" and to stand facing the wall or on a stool or outdoors in the sun. Contrary to law, the employees "are sometimes made to work all through the night to finish a rush order." Under the 24-hour watch of 100 security guards, the firm's 2,700 employees, mostly women, some under the legal working age of 16, are rarely allowed to leave the combined factory-dormitory premises. One worker, his request to quit denied, climbed over the plant's wall and was crushed by a passing train. The abuses at Zhaojie Footwear were unusual only in that *Workers' Daily* publicized them in great detail. Similar problems abound throughout the southeast coastal region, the earliest laboratory for Deng's reforms. Trade unions, Hong Kong–based journalists, China's mass media on occasion, and our own research visits have revealed the seamy side of China's economic miracle.

LIFE ON THE FACTORY FLOOR

SOME 17 MILLION Chinese people work in coastal factories funded by foreign investors, largely from Taiwan, Hong Kong, and South Korea. The workers, the great majority of them women from rural areas, make shoes, toys, garments, and other products for export, often under sweatshop conditions. Low wages are not the worst of the workers' problems. The most repugnant abuse is physical punishment, including beatings inflicted by supervisors or private guards, some carrying electric batons. As a result, even verbal threats are intimidating.

In some cases, the coercive regulations that management imposes on workers, during and after working hours, are unbelievably de-

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tailed: prohibitions on talking, even while eating; marked routes for walking within the factory-dormitory compound; bans on leaving the compound at any time without special permission; prohibitions against getting pregnant, married, or even engaged. In one factory, anyone using the toilet more than twice in a workday forfeits nearly a fifth of her monthly wage. Violating such rules can bring not just fines but also physical punishment, psychological harassment, or even dismissal with loss of at least two weeks' pay.

Workplace health and safety in such enterprises is often scandalous. In the Xiamen Jiamei Cutlery Company, a Taiwanese-owned factory in Fujian province, nearly a quarter of the 400 workers have been maimed or injured. Unable to get jobs elsewhere because of missing fingers or arms, some continued working under the same hazardous conditions and sustained additional injuries. In November 1993, a fire at the Zhili Toy Factory in Guangdong killed 87 workers and injured more than 60, their escape blocked by barred windows and locked doors. In a personal letter (which we obtained and carried out of China) found at the site of that disaster, a worker who died revealed that her Hong Kong manager had repeatedly rejected her requests to resign.

Because turnover rates are on the rise in southern China, many factories have become more reliant on a kind of bonded labor to retain workers. When hired, workers typically must surrender official papers (such as temporary residence permits and identity cards) and pay a substantial "deposit" or bond. Either or both will be forfeited if the workers quit. Describing shoe factories in Guangdong, a Beijing-based executive of a national leather manufacturing association told us, "It's super-exploitation down there. That's how they burn people alive."

FOREIGN DEVILS

WHY DOES the Chinese government allow foreign companies to abuse its citizens so outrageously? Many of the partners in joint ventures are actually government agencies or their affiliates. In the Zhaojie Footwear factory, the partner is a state-owned enterprise, China Travel. Government organs share foreign investors' desire to make money and are therefore disinclined to apply China's labor standards. The sweatshops recruit mainly among China's most vulnerable citizens—

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peasants from rural areas, who are commonly called migrants even after living in a city for years. China's apartheid-like household registration system, introduced in the 1950s, still divides the population into two distinct groups, urban and rural. To stay in urban areas, peasants must get and retain temporary residence permits linked to employment, a dependency that exposes them to easy victimization.

The commonly expressed fear that, if deprived of a free hand, foreign investors will take their business elsewhere has a firm basis in fact. In a conversation with a *Business Week* reporter a few years ago, a Hong Kong executive explained how his toy company rebuffed provincial government pressure to reduce 12-hour workdays. The executive said, "We told them this is toy biz. If you don't allow us to do things our way, we'll close down our Chinese factories and move to Thailand." Over the past two years, in some Guangdong cities where wages have not kept up with the local inflation rate of 20 percent or more, the influx of potential new employees from the countryside has dwindled. Taiwanese businessmen there whom we recently interviewed talked about relocating to Vietnam, where labor costs are even lower.

When publicizing the worst cases of exploitation, the official Chinese media usually blame "foreign capital," even though most foreign investors are ethnic Chinese, who are honored with the designation of "compatriot." "Foreign capital" conjures up the image of a white big-nosed Westerner rather than a compatriot. The popular Beijing magazine *Liaowang* (*Outlook*) recently printed a litany of abuses suffered by workers at the hands of foreign bosses. Although the bosses in the text are described as Chinese or other Asians, the accompanying illustration featured a "foreign devil," white, fat, smug, big-nosed, and male, standing next to two teary-eyed Chinese women.

SCIENTIFIC METHODS

THOUGH LESS publicized, sweatshop conditions have also permeated China's state-owned enterprises. Sociologists Zhao Minghua and Theo Nichols, writing in the July 1996 *China Journal*, detail three state textile mills in Henan province, describing the crushing daily routine of 20,000 workers, most of them women. Their situation resembles the plight of most workers in the foreign-funded sector:

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exhausting work hours, no overtime pay, complex work rules, fines for breaking them, ever-increasing quotas, draconian sick leave policies, and so on, all under the guise of "scientific management." A compulsory increase in work hours came after Deng's tour of the south in 1993, when factories reimposed the traditional three shifts in place of the four-shift system that had been adopted in 1981 and welcomed by textile workers as their "second liberation."

For China's workers, payday is often a day of mystery.

Now, thanks to market reforms, "everything is very scientifically managed," a department manager recently explained to Zhao Minghua. Management at the three factories has become highly sensitive to the relationship between productivity and profits. Productivity quotas, distributed from the top and jacked up each step of the way down, put the heaviest pressure on those at the bottom of the hierarchy.

In eliminating the Maoist system, in which the government set wage scales for workers in state enterprises, the government transferred wage-setting power to individual enterprise managers. Workers must now contend with widespread secrecy surrounding pay scales. A practice common in Asian foreign-invested enterprises in southern China, this "secretive wage system" has spread to town and village enterprises as well as the state sector. Now payday is often a day of mystery. A worker in Henan explained, "You never know how much money you will be given for the month."

The mystery stems from a complex point system that determines wages. Its "scientific" precision, calculated down to three decimal points, is modified by points added or subtracted for behavior (at one Henan factory, five points are subtracted for missing a political meeting). Managers can change a point's cash value whenever they wish. One textile worker there was shocked to learn that she had earned nothing for a month's work and, in fact, owed her employer a third of a month's pay. Because workers are forbidden access to records of their output or wage calculations, she was in a weak position to fight back. Nor could she make comparisons with a colleague, for fear that they both would lose points for revealing secrets. "We are purposely introducing a sense of uncertainty and risk," a production manager said.

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Retaining what is salvageable from the Maoist era, these Henan factories still make much of "socialist emulation" campaigns, imported from the Soviet Union in the 1950s, that single out dutiful workers as models for others. A favorite method of honoring a model worker is to put her or his name and achievements on a large red poster for all to see. However, at least one Henan factory has a variation on this tactic. It uses a poster in dark green, a color signifying bad news, to humiliate someone with conduct deemed unworthy of emulation. A typical green poster, observed by Zhao at a cotton mill employing 10,000 workers, announced in large characters: "A serious warning: 1,236 points [a third of her monthly wages] will be docked from operator Wang Xiaofeng's wages this month, due to her successive breaches of operating instructions . . . For example, she always failed to stand at the right position prescribed in the instructions."

Overshadowing worker concern over specific abuses is the fact that so many state enterprise jobs are either gone or in jeopardy. Today the number of registered urban unemployed is 5 million, which translates into the official unemployment rate of 3 percent. But 20 million out of 110 million urban state employees—production workers plus supervisory and technical staff—have either lost their posts or have been temporarily laid off and are receiving token pay. For them, unemployment may mean loss not just of work but of everything else the typical state enterprise provides: housing, education, medical care, pensions, unemployment pay, and miscellaneous benefits, except to the limited extent that the enterprise or the government tides them over. In addition, there are 30 million retirees from these enterprises whose pensions are not keeping up with inflation or are not paid at all.

To the dismay of reformers in China's think tanks, the government has again and again backed away from wholesale downsizing, despite reports that more than 40 percent of state firms are chronically in the red. In July 1996 the government postponed introducing a high-profile "modernization" plan until the end of 1997. Had the plan gone ahead, all state enterprises would have had clear property rights, no government control over managerial decisions, and "scientific management." This proposal would have brought massive downsizing of the state sector's labor force. Some observers have said that politics overruled economics, but that explanation is simplistic. For

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one thing, officials have depleted state assets through massive transfers of state capital and property to the non-state sector.

In response to the need to modernize the economy and increase productivity, planners may have imposed some misguided reforms on the work force. Take the ballyhooed smashing of the "iron rice bowl," or long-term job security for workers. Chinese reformers targeted eliminating "lifetime" employment as a major objective of enterprise reform and imposed individual contracts of fixed duration as a near-universal substitute. Yet in Japan job security has contributed to the country's economic success, giving workers a strong identification with their employer and its need for high productivity. It is hard to fathom how imposing nationwide job insecurity could ever be a wise move in achieving reforms. Imagine the tumult in the United States if individual work contracts of limited duration were imposed on the 19.5 million employees of the federal, state, and local governments.

LABOR'S PAST AND PRESENT

In May 1989, Beijing's *Economic Daily* identified a "contagious disease" that was spreading among workers: "job security panic." Epidemics of it broke out in 1992, 1993, and 1994, particularly in the northeastern rust belt, sometimes sending tens of thousands of workers into mass demonstrations in the streets. Workers and pensioners protesting layoffs or unpaid wages are a familiar sight in some cities. Today a state of near-panic grips a large part of China's work force.

Labor problems in China are nothing new. In 1949, within weeks after the People's Republic of China was born, prolonged worker protests broke out in Shanghai. In one incident, 700 cotton mill workers became so angry over unpaid wages that they broke into the home of a top executive and feasted on chicken, ham, and cake. Waves of labor unrest have hit China's cities, on average, once a decade. In 1989 workers joined students in mass protests that erupted in Beijing and other cities all over China. Though workers played a secondary leadership role, they were punished far more harshly than student leaders. Uncoordinated strikes broke out not only in the state sector but also in foreign-owned plants along the coast.

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Aware the labor situation is more volatile than ever, the regime has adopted preventive measures that go beyond tightened police controls. In mid-1994 the National People's Congress approved a comprehensive labor code described as "suitable for the socialist market economy." While giving enterprise managers increased autonomy, the 5,000-word law also codifies a wide range of protections for workers. It requires local governments to determine minimum wages based on local conditions. It guarantees workers a minimum of one day off a week, limits the amount of overtime to no more than three hours beyond a standard eight-hour day, provides premium pay for overtime, permits official unions to bargain for collective contracts, reaffirms sixteen years of age as the minimum for employment, and clearly defines beating, threatening, and harassing workers as criminal acts.

Like the defunct Soviet Union, China stamps out workers' efforts to unionize.

Workers who know their rights and bring their grievances to labor arbitration committees have a chance of winning their cases. About half of the 210,000 cases brought to arbitration in 1995 were decided in the workers' favor. Most workers, however, are either ignorant of their legal rights or too intimidated to bring abuses to light. The law is also contingent on enforcement by local officials, whose financial motives are checked by neither a respect for the rule of law nor an independent judiciary.

Another law, passed by the National People's Congress in 1992, renewed the mandate of the All-China Federation of Trade Unions (ACFTU) and its subordinate branches as the "mass organizations of the working class," with rights and duties in promoting "socialist modernization." On paper, the new law confers on unions and workers the right to participate in the "democratic management" of enterprises. But the enterprise-level branches have an inherent weakness: they are under the thumb of the management, the party, or both.

Like the defunct Soviet Union, the People's Republic stamps out even the faintest effort by workers to establish a union in competition with the ACFTU. Its monopoly status, renewed by the 1992 law, is an anachronism in the reform era. Han Dongfang, a leader of the short-lived Beijing Workers Autonomous Federation in Tiananmen Square

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in 1989 and now in exile, told a 1993 session of worker delegates at the International Labor Conference in Geneva, "It is very difficult to understand why China, a socialist country, allows economic pluralism so employers and investors can profit, and does not allow trade union pluralism so that workers' rights can be better protected."

Hoping to help out in a troubled sector, the ACFTU in May 1994 announced a new campaign to organize unions in all "overseas-funded enterprises, especially those in development zones and coastal cities," as the State Council subsequently decreed. Local union officials, spurred by recruitment quotas, fanned out to enterprises to get management approval for setting up union branches. In September 1996, the ACFTU reported that 48,000 out of 120,000 such enterprises had been unionized.

But even where unions are in place, they generally have little or no impact. In one Guangdong factory, a single person is the manager on behalf of Hong Kong investors, the branch secretary of the Communist Party, and the chairman of the trade union. A more common practice is to have the enterprise manager double as party secretary, thereby acquiring the authority of the party over trade unions.

This does not mean that ACFTU officials are completely useless to workers. Especially in state-owned firms, some are active in promoting worker interests. They often act as ombudsmen or mediators, and they sometimes negotiate collective contracts to supplement the individual contracts of workers in state industries. At the national level, top federation officials are involved in tripartite consultations with counterparts in government and management. During extensive consultations prior to passage of the labor code, ACFTU representatives negotiated some improvements, such as reducing the standard workweek from 48 to 44 hours. But their status as representatives of China's workers is marred by the fact that they are legitimized not by workers, but by the government. The ACFTU's own surveys have revealed widespread doubt among workers about the organization's credentials. Essentially, the ACFTU is just another voice within the state and party apparatus.

Its voice is somewhat strengthened by China's participation in the International Labor Organization (ILO), an agency of the United Nations. Officials of the ACFTU have few opportunities for contact with foreigners, foreign training, or international travel, but they do go to Geneva every June as worker members of China's tripartite delegation

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to the annual ILO conference. China's ratification in 1990 of the ILO convention requiring tripartite consultation on labor standards gave the ACFTU standing to lobby for workers on domestic labor legislation.

In the ILO, as in other international bodies, the government often faces pressure on human rights. In June 1996 the ILO's Committee on Freedom of Association publicly rapped China's knuckles in a case involving 11 Chinese seafarers who in April 1992 were working in the Mediterranean on a Greek-owned cargo vessel. At an Italian port they sought help from an inspector of the International Transportworkers Federation, complaining they were grossly underpaid and subject to daily physical abuse. On returning to China, they were charged with "revealing important state secrets" (i.e., their earnings), and were relieved of the foreign currency remaining from $95,000 in back wages that the inspector had managed to collect for them. Three of the eleven were jailed for more than two years until a court, after an outcry by international unions, declared them not guilty and released them. Unintimidated, the three filed an appeal, which is still pending, to retrieve their confiscated pay and overturn their convictions. The ILO is backing the seafarers and pressing the Chinese government to refrain from "any [further] act of anti-union discrimination."

Communist slogans once inspired workers. Now they leave them feeling duped.

In the mass media, the regime has recently revived slogans hailing workers as the "masters of the country and the enterprise." Before faith in communist ideology faded, such slogans inspired a spirit of duty and self-sacrifice; now they rub salt into wounds. A "model" worker told an ACFTU researcher, "I strongly feel that we workers have somehow been duped."

Nor are ordinary workers likely to be swayed by the theory that their present subjugation is an unavoidable part of a "standard development pattern." Thanks to television, telephones, and travel, even people in the hinterlands are aware of the modernity that thrives in today's China—its fax machines, cellular telephones, computers, VCRs, skyscrapers, and superhighways. Under these circumstances, it becomes harder and harder to convince workers that they are fated to remain trapped in the nineteenth century.

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Even the World Bank is skeptical. In its *World Development Report 1996*, it emphasizes that nations "in transition," such as China, must reform "existing institutions [that] were adapted to the needs of a very different economic system." Specifically, the report cites China's trade unions as now being "in essence part of the government apparatus." The World Bank concedes that such a reform "will be no easy matter."

CHECKS AND BALANCES

JACEK KURÓN, an intellectual who was a leading spirit behind Poland's Solidarity movement, once described the essence of totalitarianism as a monopoly of power "so total that if citizens gather freely and discuss freely a matter as simple as roof repairs on a block of flats, this constitutes a challenge to the central authority." China has gradually relinquished some of its totalitarian ways, but it holds tightly to others, especially the one that Kurón rightly called the most important—a monopoly of organization. Beijing fears that relaxation of the party's organizational control of workers will open the floodgates to chaos.

Thus far, the only reduction in control has been the decentralization of managerial decision-making. This effort has been applauded by Western-trained reformers and advisers. But to succeed, decentralization needs an environment where public and private businesses can flourish. That environment is civil society, the network of mutually supporting organizations of nongovernmental power that includes, most importantly, a free press. Otherwise, China's local enterprise managers are destined to remain little caesars. For stability, China needs civil society to provide the checks and balances that government and the market cannot.

Aspects of civil society are sprouting in several areas of Chinese life, particularly in the business world. Quasi-independent employers' associations, such as the Chinese Enterprise Managers' Association and the All-China Federation of Industry and Commerce, have emerged. The latter in particular enjoys high status and has been assigned seats in the National People's Congress. It has a rapidly expanding membership and branches nationwide. Some branches have

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set up local chambers of commerce that are becoming genuine voluntary business associations, and organizations of foreign firms, including American chambers of commerce in Beijing and Shanghai, are permitted to flourish. Taiwanese business associations lobby with amazing confidence, maintaining contact with both local and top-level party officials. Freedom of association, however, is denied China's workers.

EVOLUTION, REVOLUTION, OR MORE OF THE SAME?

OVER THE next decade, China has three options for including its working men and women in an emerging civil society. In seeking to blend capitalism and communism, Communist Party leaders will certainly avoid reforms that threaten their dominance. Today the tacit consensus, too embarrassing to be openly expressed by a regime that still calls itself socialist, is that workers must be sacrificial lambs for the nation's economic advancement. In the Communist Party, the government, and intellectual circles, almost all policy proponents have chosen to leave labor issues out of their blueprints for China's development.

This path does not guarantee tranquillity. Friction is bound to increase due to contradictions between liberalizing the marketplace and denying its most numerous participants, workers, the freedom to articulate their own interests. Handling unrest will require maintaining and perhaps even strengthening a system of coercion that includes breaking up workers' meetings, suppressing free speech, and enforcing extrajudicial punishment in forced labor camps for those who do not march in lockstep with the party. Such practices could work for a while, but they are awkward at a time when the regime is seeking international legitimacy and facing increasing international scrutiny. Governing under such conditions calls for a high degree of Machiavellian skill, perhaps more than China's leadership can muster.

Consequently, one of two other scenarios may come into play. Under an evolutionary scenario, the regime recognizes the hazards and contradictions of its balancing act. Some leaders begin to see that unrest is a symptom of real problems. Thus, the regime loosens its grip on the work force by granting the ACFTU autonomy or even by allowing workers to form their own unions.

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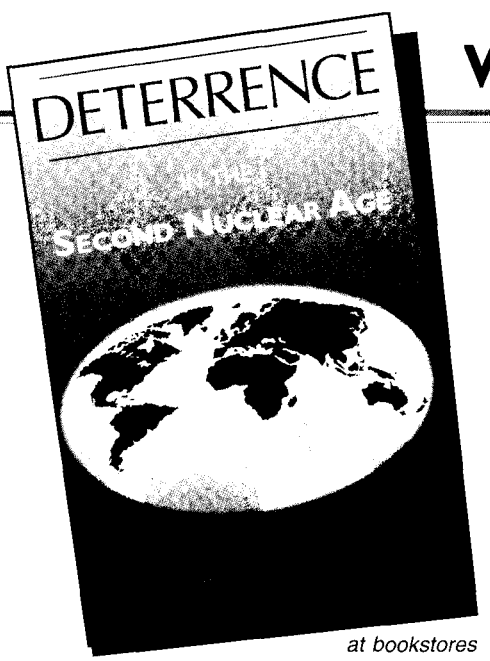
Under a revolutionary scenario, the regime stands firm as contradictions within the system become increasingly intolerable. The widespread loss of faith in communism erodes the self-restraint that once kept workers docile. Spontaneous at first, but soon coordinated with the help of a communications system much improved since the Tiananmen Square massacre, isolated incidents break out and trigger an upheaval larger than the one in 1989. The new government that emerges from the turmoil allows workers more of a say through autonomous unions. Though both dangerous and unlikely, and prone to spawn the old system under a new label, the revolutionary scenario cannot be ruled out.

On January 1, 1997, a front-page editorial in the *People's Daily* reminded the party that "maintaining social and political stability is a priority," and that "the whole party should conform . . . politically and ideologically, upholding the central authority and strictly implementing its principles and policies." For China's workers, the translation is clearly more of the same.



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Case Study in Ethnic Strife

David Rieff

WITHOUT RULES OR PITY

THE AUSTERE beauty of the mountains surrounding Stepanakert does little to relieve the morose atmosphere. Long a provincial town with an ethnic Armenian majority deep in western Azerbaijan, Stepanakert now styles itself the capital of the independent Armenian Republic of Nagorno-Karabakh. But not even Armenia, which urged Nagorno-Karabakh's secession and supported it in the subsequent war with Azerbaijan, recognizes the enclave as a state. After almost seven years of violence and another two under a shaky cease-fire, the enclave's economy is deteriorating and the population is declining. This has done little to mitigate the sense of ethnic grievance and nationalism that prevails in the mountain fastness of High Karabakh.

Nagorno-Karabakh's Armenians had agitated for autonomy for decades before declaring independence in July 1988 as the Kremlin's hold over the Soviet Union slipped. (The 1989 Soviet census in the enclave showed a population about three-quarters Armenian and one-quarter Azeri.) That February, some 30 ethnic Armenians had been killed in a pogrom in Sumgait, and more would die later that year in Baku, the capital, and other towns in Azerbaijan outside Nagorno-Karabakh; the government of Azerbaijan probably encouraged the

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DAVID RIEFF, a Senior Fellow at the World Policy Institute at the New School for Social Research, is the author of *Slaughterhouse: Bosnia and the Failure of the West.*

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MAGNUM PHOTOS/SUSAN MEISELAS

Family claims body of soldier, Nagorno-Karabakh, 1993

massacres, and certainly did little to prevent them. When the enclave seceded, Baku sent police commandos to suppress the Armenian militants. By 1991 Nagorno-Karabakh was at war. Three years later, Karabakhi fighters, supported by Armenian regular troops and Russian advisers, had routed Azerbaijani forces far superior in number. Not only had the Karabakhis gained control of the enclave's 1,700 square miles, but they had seized territory beyond its borders amounting to approximately ten percent of the rest of Azerbaijan.

Some 25,000 people died in the fighting, according to Human Rights Watch/Helsinki, and indiscriminate shelling of civilians, hostage-taking, and torture of prisoners were reported on both sides. A December 1994 cease-fire has brought no peace agreement. The initial massacres led about 400,000 ethnic Armenians to flee Azerbaijan proper. The war also uprooted some 700,000 ethnic Azeris, Kurds, and others from Armenia, captured areas of Azerbaijan, and Nagorno-Karabakh; all 40,000 Azeris in the enclave, a quarter of the population, fled or were expelled. Those refugees have since been living in camps in Azerbaijan.

Even though 20,000 Karabakhi Armenians are under arms, there is little trace of fighting today in Stepanakert. Its apartment blocks and

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low houses are dusty and rundown and water and electricity are scarce, but such is the case in many other remote, impoverished corners of the former Soviet Union, including most of Armenia and Azerbaijan. The façades bearing shrapnel marks and the occasional building gutted by rocket fire look as if they were damaged long ago. Neighboring Susa, overwhelmingly Azeri before the war, is now a ghost town, the Armenian church steeple rising over the ruined mosque. But in the nearby capital, as throughout Nagorno-Karabakh, the overall impression is of dilapidation, not war.

ENEMIES EVERYWHERE

REBUILDING AND refurbishing is going on in the would-be capital of Stepanakert, at least among the grim official buildings around the main square. In the Soviet era, these formed the backdrop for the annual May Day rallies and the commemorations of World War II. Karabakhis, people in Stepanakert like to boast, served in that conflict in numbers far exceeding their share of the population. "Armenians are natural fighters," a Karabakhi government official told me. "When the call came, we joined frontline units. Azeris don't like to fight. In the Great Patriotic War [World War II], in the Red Army, in Afghanistan, it was always the same—you found them in construction battalions."

In Stepanakert today, the big annual celebration marks Nagorno-Karabakh's independence and military victories over the Azeris. To judge by the video of a recent parade, which Karabakhi officials appear to enjoy playing for their infrequent visitors, the ceremony is a miniature version of the reviews vaunting Soviet military might that used to be staged in Moscow's Red Square. Generals are driven by, saluting, and the troops goose-step past, followed by tanks, armored personnel carriers, and vehicles laden with rockets, while planes and attack helicopters streak overhead.

As he watched the tape with me during my visit last summer, the deputy foreign minister of the "republic," Valery Atajanian, could barely contain his excitement. By his own admission he had seen the video countless times, but from the medal-laden veterans of 1945 to the children waving along the parade route, every detail seemed to thrill him. Finally, as one particularly fierce-looking

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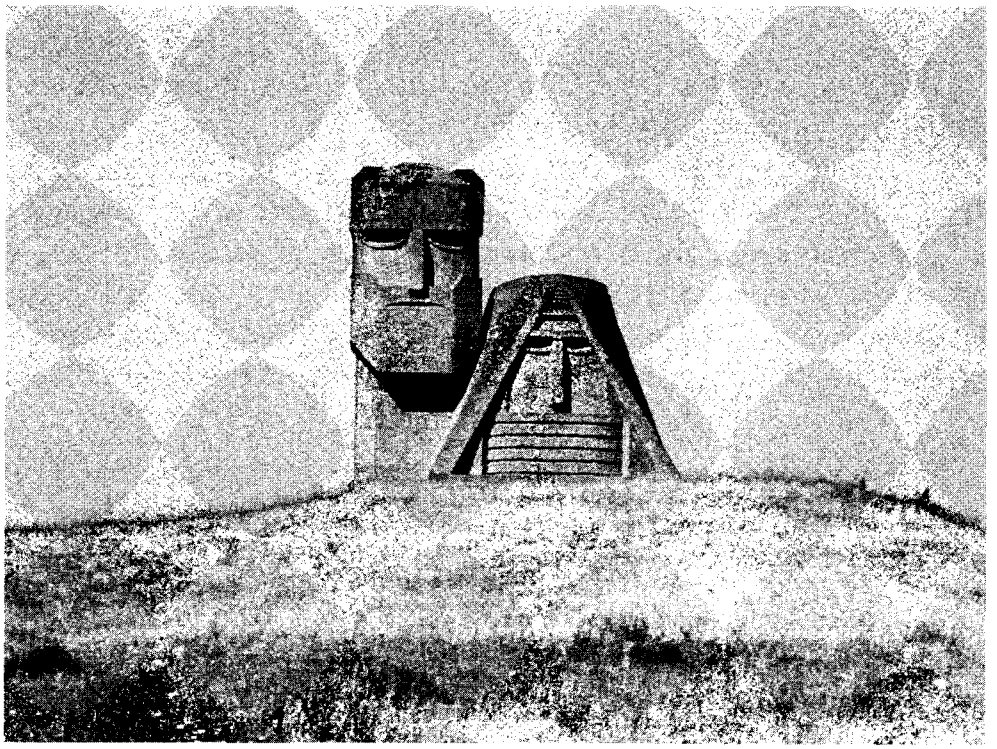

AIM

"Our Mountains," outskirts of Stepanakert

group of fighters marched past, Atajanian could keep silent no longer. "Those are the special forces," he blurted out. "They're the best—real beasts."

As in other small, embattled societies, conversations in Nagorno-Karabakh are punctuated by assertions of military invincibility. Like the Turkish Cypriots, whose political discourse resembles that of these Armenian Christians, Karabakhis start from the premise that whatever they do will be misunderstood. They have no doubt that right is on their side—the atrocities that accompanied their victory and their negotiators' intransigence at the peace talks are the Azeris' fault—but the world is against them. Foreigners they regard with suspicion. Only the Armenian government, their friends in Moscow, and their brothers in the Armenian diaspora can be trusted—and them not always. From their mountain statelet, the Karabakhis glower down. At times they seem as unmoved by the suffering they themselves have caused and as immovable in their insistence on their right to the land as *Nasi Gori* ("Our Mountains"), a statue on the outskirts of Stepanakert that has become the enclave's emblem.

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Nasi Gori is a squat concoction in reddish tuff fashioned for Soviet officials in the 1960s by a local sculptor, Sergei Bagdissirian. In a style reminiscent of nothing so much as a set for a 1950s Italian movie about the labors of Hercules, the monument portrays the massive heads of a pair of archetypal Karabakh grandparents. He is bearded, and she is either wearing a babushka or is simply too tightly framed by the improbable peaks of the mountains that form the top of the sculpture, representing Karabakh's terrain. "It would make a nice bunker," said an Armenian sculptor in Karabakh working on a piece celebrating Karabakhi independence. When I went for a look at the sculpture, sheep were grazing around it while their shepherd had a smoke. The base was deeply scarred by the initials of lovers, and on it rested an empty bottle of Armenian champagne and the remains of a chicken dinner being consumed by a horde of ants.

"That sculpture is strong, like Karabakh," a local politician told me. "It shows us as we are in our essence. It is the perfect representation of why the Armenian people here must be free on their own land." Asked if he went to the monument often, he hesitated, then replied in confident tones, "It's not necessary. *Nasi Gori* is in my soul. Of course, I would not expect a foreigner to understand."

THE ROAD TO ARMENIA

It is difficult just to get to Nagorno-Karabakh, let alone understand it. One must either come by helicopter or drive through the Lachin corridor, a formerly Azeri area southwest of Karabakh proper that was the heart of Red Kurdistan, a 1920s Soviet experiment in providing a national homeland for the region's Kurdish people. The Lachin corridor sits astride what the Karabakhis call the "road of life." This 50-mile-long route from the border of Armenia proper to Stepanakert, which an army of workers is now turning into a modern highway, is in many ways at the center of Karabakhi identity: for the Armenian separatists of Nagorno-Karabakh, life means, above all, the connection to Armenia.

And beyond Armenia are the three million members of the Armenian diaspora. The substantial communities in the United States, France, Argentina, and Lebanon are haunted by memories of

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the 1915-16 Ottoman Turkish genocide that left one million Armenians dead. The prospect of a Nagorno-Karabakh independent from Azeri rule (the Azeris are a Turkic people) led some diaspora Armenians to drop everything to fight for Nagorno-Karabakh. Such volunteers' efforts, though significant, were less important than the diaspora's well-funded international lobbying on Nagorno-Karabakh's behalf or its large financial contributions to the statelet. A telethon in Los Angeles last year raised $11 million for construction work on the "road of life"; diaspora Armenians were assured that $250 would underwrite a meter of roadway.

Whether one arrives in Nagorno-Karabakh by road or by air, one does so from Armenia. And, when asked, the people along the way seem deliberately vague about whether they live in Armenia, Nagorno-Karabakh, or what they call the "occupied territories." A "border post" just past the town of Lachin, like so much of the official rhetoric of Karabakhi independence, is largely a fiction. One can drive from the Armenian capital of Yerevan to Stepanakert and never show an identity document until the Karabakhi interior ministry checkpoint on the fringes of the enclave's capital. The Armenian currency, the dram, is universally accepted.

Lachin, like other places in the occupied territories, has been resettled largely by people from Armenia, particularly from areas devastated by the 1988 earthquake. For these settlers, the partially destroyed houses vacated by Azeris and Kurds are an improvement over the

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camps and makeshift shelters they had lived in back home since the disaster. "I had 40 square meters for myself and my family," a schoolteacher in Lachin told me matter-of-factly. "Here I have 100 meters. Of course, it needs some work."

Most Karabakhis are eager to see more Armenian settlement of the occupied areas so as to render the distinction between the enclave and Armenia even more meaningless, and the Armenian government seems eager to facilitate this movement of people. In any case, nothing happens in Nagorno-Karabakh without at least Armenia's tacit assent. The war was as much an Armenian victory as a Karabakhi one. Although the Karabakhis proved themselves fierce fighters during the three years of combat against vastly superior Azeri forces, they could never have prevailed without the troops, money, and advice from Armenia. (The Russians also provided some military aid, but, true to form, they helped the Azeris as well.) Nor would the Karabakhis have survived without Armenia, either economically or militarily, in this period of uneasy peace. Karabakh's flag is the Armenian tricolor with the crude addition of a jagged white line two-thirds of the way across symbolizing the division of the two Armenian states. Armenian President Levon Ter-Petrossian handpicked Nagorno-Karabakh's president, Robert Kocharian, who went on to win election. That the Ter-Petrossian government is running the show in Nagorno-Karabakh is a fact that officials in Stepanakert, who privately yearn for eventual union with Armenia, scarcely bother to deny.

> The connection to Armenia is at the core of identity for the enclave's ethnic Armenians.

The oppressed Armenians of Nagorno-Karabakh are in turn a potent symbol in the politics of Armenia proper. In the last years of the Soviet Union, Ter-Petrossian headed the Karabakh Committee, an Armenian organization that lobbied for autonomy for Karabakh, and he rode the issue to the presidency of independent Armenia. Polls in Armenia show that almost as overwhelming a majority favors absorption of the enclave as in Nagorno-Karabakh itself. But for the time being, the Armenian government hews to the fiction of Karabakhi independence, and, indeed, technically does not have diplomatic relations with the enclave.

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THE LONG CEASE-FIRE

FOR YEREVAN at this point to openly declare its ties with Nagorno-Karabakh would be economic suicide, as Azerbaijan would tighten its trade and energy embargo against Armenia. It would also doubtless put an end to the public negotiations on the future of the enclave, which include not only the three contending parties but the Organization for Security and Cooperation in Europe and separate representatives from the United States and Russia as well (although the consensus is that these talks have been getting nowhere). And it would almost certainly sabotage promising back-channel negotiations between Armenia and Azerbaijan.

The Azeris, for their part, are biding their time. They believe that when, in 1998 or 1999, they begin receiving substantial revenues from the oil pipelines now being built through their country, they will be able to negotiate the return of lost territory from a position of strength. There is also much talk in Baku of rebuilding the army. The Karabakhis fought brilliantly, but Baku's forces were less an army than a collection of militias that cooperated only intermittently and were not always paid by commanders whose venality was astonishing even by the standards of the Caucasus. Today Azeris point to the example of Croatia and its painstaking construction of a modern military in the years 1991-95. The more hard-line Azeris go further, promising that before the end of the century they will launch their own version of Operation Storm, the Croatian reconquest of the Krajina region. There is certainly no desire for battle today among ordinary Azeris. Whether there will be any taste for war a few years from now in Azerbaijan, a country with neither a martial tradition nor an effective government, remains to be seen. So does the question of whether Moscow would permit such an offensive to get off the ground.

From the Armenian perspective, however unsatisfactory the status quo, any change is politically risky. It will be difficult enough for Ter-Petrossian to agree to force the Karabakhis to hand back the occupied territories. For him to acquiesce to even the most generous autonomy arrangement that leaves Karabakh formally part of Azerbaijan is unthinkable. The Armenian diaspora, more radical on the Karabakh question than Armenians in the region—as diasporas usually are on

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such matters—would be incensed, and even a partial withdrawal of its support would be disastrous for Ter-Petrossian. Since independence, the Armenian economy has depended heavily on diaspora contributions. More crucially, diaspora Armenians' lobbying has won for Armenia levels of foreign aid and of political backing for its position in an interstate conflict greater than those enjoyed by any other country of so little economic or strategic importance.

CREATION OF A MONSTER

THE RELATIONSHIP between Yerevan and Stepanakert is more complicated than it is sometimes made out to be. As President Slobodan Milošević of Serbia discovered with the Bosnian Serbs in 1995, Frankensteins have a habit of losing control of their monsters. Like the Bosnian Serbs' Republika Srpska, Karabakh has become a haven for the most extreme variants of nationalism, in this case including the Armenian nationalism of the Dashnak Party, which is banned in Armenia but important in the diaspora. Both Armenian and Karabakhi officials privately acknowledge that Ter-Petrossian may not be able to impose a settlement unacceptable to Stepanakert. That makes the status quo even more attractive, since any change runs the risk of unleashing the hard-liners.

And there are plenty of them in Nagorno-Karabakh. Indeed, at times one wonders about the sanity of some of the enclave's officials. Perhaps egged on by a couple of glasses of mulberry vodka with dinner, deputy foreign minister Atajanian sketched for me scenarios for Azerbaijan's and even Turkey's dismemberment by a peculiar alliance including forces from Cyprus, Greece, Russia, and the United States. He cited the predictions of Nostradamus.

Incredibly, many of the enclave's citizens think the government is far too moderate. "President" Kocharian and his aides would at least contemplate returning most of the captured territory outside Nagorno-Karabakh for a peace treaty that recognized the enclave's independence and its sovereignty over the Lachin corridor. But opposition to a land-for-peace deal is shared by many beyond Dashnak Party members and their supporters in the Armenian diaspora. More moderate figures in Karabakh take an equally truculent line.

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Garen Ogandjanian is a member of parliament and the representative in Stepanakert of the Helsinki Citizens Assembly, a human rights group. He outlined for me ambitious plans for the creation of an "open society." "We have had enough of militarized ways of thinking here in Nagorno-Karabakh," said Ogandjanian, a slight man with a gentle manner. But from Karl Popper, the conversation passed rapidly to the security situation. Asked if land should be given back to the Azeris as part of a peace deal, Ogandjanian replied, "In theory, yes, if the security guarantees for us were absolute, if we could trust them—which . . . I doubt we could. Personally, I don't see why we should give any land back. Historically, Nagorno-Karabakh was even larger than all the territory our troops now control. The Azeris have too much as it is." That the claims of the enclave's principal human rights advocate and those of the hardest of hard-line Dashnaks are all but indistinguishable suggests how much the extreme nationalist position has become the consensus in Nagorno-Karabakh, as it has in Armenia proper and Azerbaijan.

The Dashnaks, of course, are the ones who did the heavy lifting on the ground. Their men, including a substantial number of volunteers from the diaspora, did a great deal of the fighting and dying before the cease-fire. The hero of the early period of combat, when the Karabakhis seemed on the verge of losing, was an Armenian-American from California, Monte Melkonian. He was killed just before victory was secured, and busts of him are now displayed in many government offices in Stepanakert.

Dashnak loyalists and members of other extreme nationalist groups have come from Armenia—although not, it appears, from the diaspora—to settle in some of the occupied areas. In such places, talk of territorial compromise is unacceptable. "The Azeris are lucky we didn't take more," an Armenian settler in Lachin told me. "Let the Turks come back!" a settler in Lachin town, once 80 percent Kurdish and Azeri, declared. "We'll kill them all, whatever Kocharian says. This is our land. Maybe there were Turks here in 1990, but [70 years ago] this was Armenian land. And that is what it must be forever.

"We are a hospitable, courageous people," he continued. "Our only misfortune was to live among the Turks. And no Christian peo-

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ple can live successfully in a sea of Muslims." A friend interrupted. "There's an old saying: 'There's no family without a monster.' Well, the Turks are the monsters of the whole world."

GRIEVANCES AS A WAY OF LIFE

THE INSISTENCE in Nagorno-Karabakh on referring to Azeris as Turks reminds one that the Bosnian Serbs refer to Bosnian Muslims the same way. In fact, the similarities between the Karabakhi Armenians and Bosnian Serbs loyal to political demagogue Radovan Karadzic and military commander Ratko Mladic strike anyone who has traveled in both the Caucasus and the Balkans. As in Pale, the Bosnian Serb capital, two years ago, the talk among Karabakhi Armenians in Stepanakert today is exclusively about their side's unique suffering. Only their losses and their refugees matter. For the harm they themselves have done, the Karabakhis, like the Bosnian Serbs, are unashamed. If Azeris suffered, they insist in Stepanakert, the filthy Turks brought it on themselves. "You may be sure," deputy minister Atajanian told me, "that anything bad we did, we were forced to do."

It was the Azeris, after all, Karabakhis say, who thwarted the Armenian people's legitimate aspirations to self-determination. Azerbaijan's violent 1988 crackdown on the separatists, they say, started the war. If ethnic cleansing took place in Nagorno-Karabakh—and it is difficult to deny that it did—it was the inevitable consequence of Azeri massacres of Armenians. Atajanian waxed particularly indignant over criticism of Karabakhi human rights violations during the war: "Why do the Red Cross and certain foreign governments always demand that we behave better than the Azeris? Why do they continue to remind us so aggressively about international law? Let the Azeris obey international law. Baku! That's where they should direct their complaints."

As among the inhabitants of the Balkans and other places around the world, inflamed ethnic chauvinism combined with the memory of real communal suffering breeds among the peoples of the Caucasus fantasies of their original virtue and their enemies' original wickedness. Moral judgments become simple in such cir-

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cumstances—we are good, they are bad; we tell the truth, they lie—and actions follow from there.

From the Armenian perspective, given the Azeri crimes against Armenians the Karabakhi leadership is generous in being willing to resolve its differences with Azerbaijan peacefully, especially after its triumph in the war. Atajanian insisted that unless the Azeris agree to Stepanakert's minimal demands of independence for Karabakh and recognition of Karabakhi sovereignty in the Lachin corridor, there would be another war. "And next time," he said, "we won't stop where we did. We'll go on to Yevlakh, and if they still won't agree to a settlement we'll march to Baku." He paused. "That's what the army wants to do right now."

Ethnic chauvinism and communal suffering warped two peoples.

Even admitting, as seems probable, that the Azeris are to blame for the outbreak of the war, neither the Karabakhi leaders nor the Armenian authorities in Yerevan can claim the moral high ground. What began as a struggle for self-determination soon degenerated into ethnic cleansing, massacre, and war fought without rules or pity, and Nagorno-Karabakh was cleansed of its non-Armenian population. As a result, 700,000 Azeri, Kurdish, and other refugees are living today in camps in Azerbaijan in conditions of unimaginable squalor. Neglected by the government, they are largely forgotten by the outside world.

Exacerbating the situation is a U.S. law passed in 1992 at the instigation of the Armenian lobby in America that prohibits international relief agencies from using U.S. government funds to aid the government of Azerbaijan. In a post-communist society like Azerbaijan, in which the medical and educational sectors are state-run, the legislation effectively rules out projects to supply hospitals, treat the tuberculosis endemic in the refugee camps, rehabilitate schools, or even use local doctors to do medical assessments. In private, Armenia's officials are unenthusiastic about the law, but diaspora leaders have been adamant. In the end the legislation plays into the hands of the Heydar Aliyev government in Baku, which uses the lack of American aid to justify its own abject failure to ameliorate conditions in the camps. And the more pathetic

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the refugees' situation, the easier it is for Baku to divert attention from its responsibility for provoking the crisis in Nagorno-Karabakh and paint Azerbaijan the victim.

It is enough to make one yearn, against all better judgment, for the Soviet Union and its rhetoric of interethnic solidarity. In the destroyed Azeri town of Susa, I passed a Soviet-era sign exhorting friendship among peoples. It was cant when erected, no doubt, but Suren, my elderly Armenian driver from Yerevan, did not think the harmony between ethnic groups had been a complete charade. "In the old days," he said, as we drove into Nagorno-Karabakh through the ruins of Lachin, "it didn't matter whether you were an Azeri, an Armenian, or a Karabakhi. We all got along." He did not, however, wish for a return to the past. "It will get better," he insisted, adding, "though not, of course, in my lifetime."

THE HARD WORK OF STATE-BUILDING

A FOREIGN aid worker who has spent more than a year in Karabakh observed, "When people here tell you of their wish to lead a normal life—and I have people saying this to me all the time—they mean the life they led in Soviet times, when the ruble was worth $1.40 [the current value is about 5,000 rubles to the dollar] and most of them had cars and could afford vacations by the Caspian." But, he concluded gloomily, "those days are never coming back."

On both sides of the divide between Armenians and Azeris, when the talk moves away from the Karabakh question it often focuses on the need to replace the old Soviet state-controlled economic system with the free market. While the Azeris look to Western companies to help them tap the country's purportedly enormous oil and gas reserves, bringing in dreamed-of hard currency, the Armenian and Karabakhi authorities channel diaspora contributions into construction on the "road of life." When completed, the highway will be the most modern in the Caucasus, up to Western standards—a monument to the diaspora's power and wealth, if not strictly necessary from a practical point of view.

The hope in the diaspora and in Stepanakert is that the road-building and resettlement of the occupied territories will ensure that the

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battlefield victories of the Karabakh Armenians are not lost at the negotiating table. But two years after the war's end, for all the bluster of Karabakh's officials and the influence of its friends in Washington, the question is still whether it can survive as a statelet. Armenia cannot do for it, economically or militarily, what Belgrade did for the Serbs, let alone what Ankara did for the Turkish Cypriots.

Nationalism is no substitute for a state or an economy.

Armenia's leaders may not be prepared to mortgage their country's economic future indefinitely for the sake of Nagorno-Karabakh. The Azerbaijani embargo continues to do harm, although Azerbaijan has eased its sanctions and Armenia has developed other trade ties. Unemployment in Armenia is above 50 percent, and it is clear that the price of improvement in the economic situation is flexibility on Karabakh. The diaspora, rich as it is, cannot subsidize the enclave, population 150,000, let alone Armenia, population three million.

Over the long run, neither extreme nationalists nor any other brand of ideologue can keep economic realities at bay. In spite of the sums coming in from the diaspora, conditions in Nagorno-Karabakh are deteriorating. Agriculture is the only viable sector, and most young men remain in the military. As a high official in the enclave ruefully admitted, "Many people are leaving, either for Armenia or for other countries."

Even more to the point, it is not clear that in Nagorno-Karabakh, Armenia, or many of the other post-Soviet states—or in many African countries, for that matter—the conception of the state reaches much beyond ethnic identity. The founders of Israel, with whom present-day Armenian nationalists often compare themselves, did not think that creating a Jewish state was all they had to do. They aspired to create a modern state, a new economics (among the Labor Zionists, a version of socialism), and an idea of democracy as well. They would have scoffed at the notion that the mystical virtues of ethnic solidarity would see them through.

But the Armenians of Karabakh, like many other peoples, have only that mystical idea to hold on to. It served them well while the fighting raged, but now it stands in the way of a solution. It mires

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Armenians and Azeris alike in their grievances, their self-love, and their mutual loathing. In such circumstances, talk of the past will always be more potent than talk of the future. But the past is steeped in blood, and if the future is to be different, compromises will have to be made.

The signs, both on the ground among the belligerents and in the wider region, are not encouraging. But without a compromise, sooner or later war will break out again. And unlike in the early 1990s, it may disturb great powers like the United States and Russia, whose interests in the area have grown substantially, or regional powers like Turkey and Iran, which would bear the brunt of refugee flows that would be the first consequence of renewed fighting. This time the conflict might not be so contained.

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Back to Bedrock

The Eight Traditions of American Statecraft

Walter A. McDougall

Do Americans indeed suffer from "conceptual poverty" in their effort to construct a post–Cold War strategy?[1] Actually, no less a student of the United States than Andrei Gromyko once remarked that Americans have "too many doctrines and concepts proclaimed at different times" and so are unable to pursue "a solid, coherent, and consistent policy." Only recall the precepts laid down in Washington's Farewell Address and Jefferson's inaugurals, the speeches of John Quincy Adams, the Monroe Doctrine with its Polk, Olney, and Roosevelt Corollaries, Manifest Destiny, the Open Door, Wilson's Fourteen Points, Franklin Roosevelt's wartime speeches and policies, Containment in all its varieties, Nixon's détente, Carter's Notre Dame speech, Clinton's enlargement, and the Truman, Eisenhower, Nixon, Carter, and Reagan Doctrines. Far from hurling the country into a state of anomie, the end of the Cold War has revealed anew the conceptual opulence that has cluttered American thinking throughout this century.

Nor does America suffer, as many pundits assume, from schizophrenia: the dichotomies often drawn between isolationism and internationalism, idealism and realism, are false. The United States has never been isolationist, and none of the above statesmen considered himself either a dopey idealist or a cold-hearted realist. All held that their doctrines were realistic *and* moral responses to the challenges America faced in their time. What is often seen as a Hegelian clash in the national discourse between theses and antitheses is actually a clash between

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CULVER PICTURES

Preaching America's Gospel, Puck, *1900*

competing syntheses of what American values and national interests require.

A democracy composed of numerous religious and secular faiths is always at war with itself over matters of right and wrong, prudence and folly. In domestic politics its battleground is the law. In foreign policy the hallowed traditions, the holy writ, instructs the nation.

Americans have a veritable bible of foreign affairs. Its Old Testament, which dominated U.S. diplomacy in the nineteenth century, was designed to deny the world the chance to reshape America, and it canonized the traditions of America's Exceptionalism, Unilateralism, the American System, and Expansionism. Its New Testament, which has dominated U.S. diplomacy in the twentieth century, was designed to give America the chance to reshape the world, and it canonized the traditions of Progressive Imperialism, Wilsonianism, Containment, and what one might call Global Meliorism. The first four traditions reflect the image of America as Promised Land. The New Testament traditions define America as Crusader State called to bring salvation to a world ravaged by revolution and war.

All eight traditions expressed a consensus among Americans about what constituted a moral and rational response to the threats and opportunities they encountered abroad. But whereas the Old Testament traditions were mutually supportive, the New Testament ones clashed, not only with the first four, but to some degree with each other. The decades of mortal combat against fascism and communism did not encourage meditation on

[1]Jonathan Clarke, "The Conceptual Poverty of U.S. Foreign Policy," *The Atlantic Monthly,* September 1993, pp. 54-66.

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the contradictions in American traditions. But this juncture in world affairs—Shakespeare's "time for frighted peace to pant"—allows Americans to revisit their history, puncture its myths, and ask anew whether the Author of history, be it Progress or Providence, commands them to change the world in order to remain true to themselves, or whether crusading abroad may drain and defile the virtues that made America great in the first place.

FOUNDING ORTHODOXIES

The first myth that must be dispelled is that American Exceptionalism had anything to do with foreign relations. American colonists believed their country was destined to be different and better than the Old World. But historians who spy in this the seeds of an idealistic vision of foreign relations that would come to full flower with Woodrow Wilson are mistaken. From the moment Benjamin Franklin sailed for Paris to seek support for independence, American statesmen played power politics, employing whatever means were required to secure what was truly exceptional about the new nation—its republican liberty at home.

Early American statesmen repeatedly resisted the temptation to pursue a genuinely new diplomacy based on pacifism, idealism, or ideology. The Continental Congress proceeded by dint of espionage, secret arms deals, and a military alliance with Louis XVI (which Franklin was pleased to betray as soon as Britain hinted at peace). Even John Adams, the Puritan of tender conscience, boasted at the conclusion of the treaty in 1783, "We were better tacticians than we imagined." The Constitutional Convention later quarreled at length over the foreign policy powers to be granted the executive branch. But the framers and *The Federalist* were silent on how the federal government should behave toward foreign lands and people. Foreign policy was to be the shield and sword of American Exceptionalism, not an expression of it.

During the wars of the French Revolution, Americans were deeply divided as between Britain and France. Federalists feared the spread of French radicalism to America, and Democratic Republicans feared British monarchism and plutocracy. But heated as the debates between the parties were, almost no one opposed Washington's neutrality policy. All understood that to make foreign policy on the basis of ideology would drag the nation into wars abroad and tear it apart at home.

The United States tried to enforce with economic sanctions its neutral rights at sea during the Napoleonic wars. But when in 1812 Congress finally concluded that the nation must choose between pacifism and liberty, it voted for war against Britain. Finally, when presented with a golden opportunity to adopt a revolutionary policy in support of Latin America's revolt against Spain, Secretary of State John Quincy Adams said no, deeming such a crusade both imprudent and immoral. America, he said in 1821, "is the well-wisher to the freedom and independence of all. She is the champion only of her own." For to seek to export the nation's ideals, Adams said, would involve America "beyond the power of extrication, in all the wars of interest and intrigue . . . She might become the dictatress of the world. She would be no longer the ruler of her own spirit."

The other Old Testament traditions followed in train. If the United States was to preserve its liberty, spare itself

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large armies and navies, avoid becoming a pawn of stronger allies and a target of stronger enemies, and exploit Europe's conflicts to its advantage, it must practice Unilateralism (even, as in 1812, when it made war). But that in no way implied isolationism. Washington in his Farewell Address urged unilateralism precisely because the 1790s had proved that it was impossible for Americans to isolate themselves from Atlantic affairs. Washington even made allowance for alliances in case of emergency.

American isolationism is a myth. The word—which did not come into common use until the 1890s, when propagandists for empire flung it at their Mugwump critics—should be struck from Americans' vocabulary. Senators who questioned the League of Nations were not isolationist. Even the neutralists of the 1930s had little use for the term, nor was U.S. foreign policy ever isolationist. One could cite a score of nineteenth-century examples, but suffice to say that the nation that dispatched Commodore Perry to Japan was by no stretch of the imagination isolationist.

It was not enough, however, for the United States to shun political ties to Europe. It also had to ensure that Europe did not impose itself on America. The Monroe Doctrine, the fullest elaboration of the concept of an exclusively American System in the hemisphere, was drafted by John Quincy Adams for President Monroe's 1823 annual address, but it can be traced back to Washington, *The Federalist,* and Tom Paine. All sorts of myths have grown up around the doctrine, but the most important ones to dispel are that it was meant to secure Latin American independence or to clear the decks for U.S. imperialism. By the time the doctrine was promulgated, the Latin American juntas needed no savior, and Adams spurned that role in any case. Nor did the United States have the will or the power to dominate the western hemisphere. The Monroe Doctrine was meant only to deter Russia, France, and Britain from exploiting Spain's retreat to meddle in regions of concern to the United States (Oregon and Mexico, for example) or to establish a balance-of-power system in the Americas.

Nevertheless, huge swaths of North America remained undeveloped and subject to multiple claims. If the United States was to deter Europeans from filling those voids, it would have to occupy them itself. The liberty and opportunity of an exploding agricultural population depended on it. Accordingly, Expansionism was explicit in U.S. diplomacy from the moment Franklin demanded the Mississippi River as a condition of the peace settlement with the British. The diplomacy of expansion, however, was never driven by that ephemeral and romantic mood known as Manifest Destiny. President Polk (1845-49) disappointed both the idealistic and the ideological proponents of Manifest Destiny when he seized the southwest by force, spurned the temptation to annex and reform all of Mexico, and compromised American claims to the whole of Oregon. For 50 years thereafter no president even considered an ideological crusade.

TWENTIETH-CENTURY HERESIES

So what happened in 1898, when the United States suddenly embraced a Progressive Imperialism apparently at odds with all it had stood for? Most historians assume that the great aberration in need of

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explaining was not the Spanish-American War, born of the bloody Cuban war for independence, but the acquisition of colonies that followed. They cite the growth of U.S. population, exports, and industry, the depression of the 1890s, and the "closing of the frontier" to argue that big business, the navy, and their political spokesmen were eager to junk isolationism and emulate European imperialism in the pursuit of foreign markets.

This story is not so much wrong as beside the point. First, 1898 could not end an isolationism that never existed. Second, it did not inaugurate overseas expansion; the United States had pursued that course ever since President Tyler draped the Monroe Doctrine over Hawaii in 1841, Secretary of State William H. Seward bought Alaska in 1867, and Grover Cleveland risked war over Samoa in the 1880s. What is more, the keepers of the nation's conscience in the Protestant churches and the Progressive movement saw nothing troubling about the little empire won in 1898 and yearned to do good to Spain's benighted subjects in the Philippines and Puerto Rico. Finally, Progressive Imperialism did not contradict Expansionism, the American System, or Unilateralism but did excellent duty by them.

The shocking novelty of 1898 is that Americans finally gave in to the crusader's temptation, and the explanation for that must be sought not only in strategy and economics but in culture. Thanks to the cresting floods of the social gospel, the Progressive movement, social Darwinism, and consciousness of the "white man's burden," the old millenarian undercurrent that had sprung from the second Great Awakening conquered the mainstream of American religious and intellectual life.

Whether inspired by biblical or Enlightenment tenets, the Founding Fathers had proceeded on the assumption of a flawed and immutable human nature. Hence they designed a government and foreign policy based on checks and balances, humility and prudence, and warned against the concentration of power in the hands of churches, factions, or ideological zealots. But as the nineteenth century galloped on, the "higher criticism" of the Bible, Darwinian evolution, and science and industry's promises of limitless progress drained the savor from mainstream Protestantism. "As Christianity turned liberal," Arthur Schlesinger, Jr., wrote in *The Cycles of American History*, "shucking off such cardinal doctrines as original sin, one more impediment was removed to belief in national virtue and perfectibility." In foreign policy, whereas America the Promised Land had held that to try to change the world was stupid (and immoral), America the Crusader State held that to refrain from trying to change the world was immoral (and stupid). Senator J. William Fulbright observed in *The Arrogance of Power* that U.S. foreign policy expressed two distinct sides of the nation's personality: "Both are characterized by a kind of moralism, but one is the morality of decent instincts tempered by the knowledge of human imperfection and the other is the morality of absolute self-assurance fired by the crusading spirit."

Wilsonianism was not a reaction against the imperialist episode but the fulfillment of it. Wilson was convinced that Anglo-Saxons had a duty to share their genius with the "childlike races." He applauded the Spanish war and colonies, and as president intervened more aggressively in the Caribbean than

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Teddy Roosevelt or William Howard Taft. He told the cadets at the Naval Academy, "The idea of America is to serve humanity," and stood John Quincy Adams on his head when he pronounced it a "very perilous thing to determine the foreign policy of a nation in terms of material interest. It is not only unfair to those with whom you are dealing, but it is degrading as regards your own actions."

Accordingly, Wilson showed little interest during World War I in defending America's neutral rights, which he termed "small entanglements." All he cared about was mediating a peace without victory and promoting the agenda fashionable among British liberals, which condemned the balance of power and armaments and advocated a league of nations. Wilson reached his agonizing decision to go to war only after he persuaded himself that it would be a crusade to end war everywhere, just as the United States had made war to end war in Cuba; to teach the Germans to elect good leaders just as he had tried to teach the Mexicans; and to establish a world organization just like the Pan-American league he had previously hoped to found. Wilson's defenders saw his program as both idealistic and expressive of a "higher realism." But it offended all Americans who, while they may have endorsed certain Wilsonian principles, remained convinced of the wisdom of Unilateralism and the Monroe Doctrine. What is surprising, in fact, about the fight over the League of Nations is that senators were willing to go along with as much of Wilson's program as they did. His refusal to compromise spoiled his life's work.

Pearl Harbor established Wilsonianism as the sixth tradition of U.S. foreign policy. Americans had no other banner under which to march into world war, and they flocked back into Wilson's tent with the zeal of repentant sinners. Wartime books and films, and the Democratic National Convention of 1944, portrayed Wilson as a martyr crucified by isolationists and promised that Franklin Roosevelt would not suffer his fate. So Americans embraced the United Nations in 1945 only to learn within months that Stalin was not the Wilsonian convert of FDR's imagination. But whereas the lessons of Munich and Pearl Harbor seemed to preclude a return to the Old Testament principles, so the deadlock at the United Nations signaled that Wilsonianism was no guide to the future.

The Truman administration had to invent and sell a new interventionist tradition—and did, with amazing success. The Senate approved the Truman Doctrine by a margin of 3 to 1, the Marshall Plan by 4 to 1, NATO by 6 to 1. While anticommunist panic played a major role, Containment also meshed well with earlier American traditions. Containment persuaded Americans that their liberty and institutions at home were under siege from a global conspiracy. Containment did not violate Unilateralism so much as may seem, because even though the United States made alliances all over the map, it was clearly the boss and so did not relinquish its freedom of action. Containment served Progressive Imperialism and Expansionism in that it validated the projection of U.S. power, opposed Soviet and European imperialism, and so protected or pried open the markets of half the world. It even served Wilsonian ends, albeit with the means of power politics.

Containment came at a heavy cost. At home, the Cold War meant peacetime

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conscription, high taxes, federal intervention in science, education, business, and labor, and domestic surveillance. Abroad, Containment was vexing and wearisome. Pursued too meekly it looked like appeasement. Pursued too vigorously it risked nuclear war. Pursued moderately it sucked the United States into limited wars it dared not win or lose. But Containment not only eventuated, just as Kennan predicted, in the exhaustion of the enemy—it outlived the Cold War. "Dual containment" is U.S. strategy in the Persian Gulf to this day, and some talk of the need to contain China or radical Islam. It is America's seventh foreign policy tradition.

CRUSADER STATE

Since 1898, and especially since 1917, the United States has been in quest of practical and moral means of coping with a world beset by the revolutions that have accompanied modernization. A product of impulses that were as much cultural as geopolitical, America's New Testament changed the goal of its foreign policy from the protection to the projection of American values. Wilson offered a legal, institutional answer. Truman offered a diplomatic and military one. Global Meliorism, the eighth U.S. tradition, is the socioeconomic and cultural answer, for it aims to make the world a better and safer place through the promotion of economic growth, human rights, and democracy.

Global Meliorism is based on the assumption that the root causes of aggression and radical ideologies are poverty, ignorance, oppression, and despair. American missionaries of the nineteenth century pioneered the use of education, medicine, and agronomy, and the promotion of human rights to transform foreign cultures and prepare the ground for the Gospel. But the U.S. government did not get into the meliorist business to promote its secular gospel until Wilson appointed Herbert Hoover food czar for Europe during World War I. Hoover, a Quaker pacifist, pleaded for food to be shipped to the starving Germans, urged Wilson to fight Bolshevism with bread, not guns, and helped persuade American bankers to underwrite European stabilization in the 1920s.

The approach moved to the forefront of U.S. policy during World War II. Inspired by Hoover's relief agencies, the New Deal, and Keynesian economics, Roosevelt's brain trust established the U.N. Relief and Rehabilitation Administration, the International Monetary Fund, and the World Bank to hasten postwar recovery. Later, Americans were eager to credit U.S. military occupation with the democratization of Germany and Japan, and wondered where else Marshall Plan methods might work. The Cold War added new urgency to this American mission, and Truman's Point Four Program drafted meliorist tactics into the war against communism. President Eisenhower was skeptical of foreign aid, but from 1956 to 1961 the Suez crisis, Sputnik, Castro's victory in Cuba, Nixon's disastrous tour of Latin America, and Soviet and Chinese endorsement of "wars of national liberation" forged a consensus that the United States must compete for the allegiance of the developing world. Meanwhile, the Charles River School of economists led by Walt W. Rostow developed models to show how American investment, technology, and know-how might lift any nation into "takeoff" and self-sustained growth.

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Senator John F. Kennedy became a believer, and as president he quickly established the Agency for International Development, the Alliance for Progress, and the Peace Corps. But his most aggressive meliorist offensive was in South Vietnam. Granted, the commitment there grew out of the extension of Containment to Asia. But when Truman helped Greece, Turkey, Taiwan, and South Korea he did not do so on condition that those countries become model democracies overnight. JFK's advisers, by contrast, believed that state-building, economic takeoff, and the winning of hearts and minds were prerequisites for the defeat of the Vietcong. Eisenhower, thinking in terms of Containment, saw that control of Laos was the key to Southeast Asia. But Kennedy, thinking in meliorist terms, bargained away Laos in 1962, made South Vietnam a test for counterinsurgency and Third World development, and overthrew Ngo Dinh Diem in 1963 because he refused to press the reforms the meliorists deemed necessary. When Diem's successors proved worse, Americans had no choice but to go in and remake the country themselves. As JFK's defense secretary, Robert McNamara, put it, if World War I was the chemists' war, and World War II the physicists' war, then Vietnam "might well have to be considered the social scientists' war."

Vietnam was the first war in history in which U.S. forces were sent not to defeat the enemy but to keep an ally from losing and to buy breathing room. In time, meliorists believed, U.S. civilian agencies working in Vietnam would build a popular regime and a prosperous country able to stand up to Hanoi on its own. That fit Lyndon Johnson's predilections perfectly, and in Vietnam he deployed the same methods as in his war on poverty at home, acting, in the words of Harry G. Summers, Jr., "not so much as the World's Policeman as the World's Nanny." As early as February 1966 LBJ summoned South Vietnam's leaders, Nguyen Van Thieu and General Nguyen Kao Ky, to Honolulu, where he ordered them to help the Americans defeat hunger, disease, and despair, spur democracy and economic development, and win the war "by making a social revolution." This explains why the most telling critiques of the war came not from the radical left, which shared most meliorist assumptions, but from curmudgeons such as Kennan, Fulbright, Hans Morgenthau, and Walter Lippmann, who saw American tactics in Vietnam as hyperbolic presumption.

Vietnam ought to have dealt Global Meliorism a serious blow, but inasmuch as the realpolitiker Nixon, not the meliorist Johnson, presided over its denouement, the ironic result of Vietnam was that the geopoliticians went into eclipse while the American cultural mainstream embraced the most ambitious form of missionary diplomacy yet. President Carter saw human rights and foreign aid as the most effective weapons in the American arsenal, so long as they could be detached from Containment. He shed the "inordinate fear of communism" and launched a meliorist offensive *à tous azimuts*. But Carter's increase in foreign aid was devoured by OPEC-induced inflation, and his administration's rhetoric (for instance, damning U.S. allies as "retrograde fascists" and "racist states") only harmed U.S. prestige. When the Soviet invasion of Afghanistan in 1979 drove Carter back to

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Containment, his meliorist secretary of state, Cyrus Vance, resigned in protest.

One can argue that Carter's embarrassments were a necessary stage in America's education, for they made possible the Reagan administration's synthesis of a geopolitically based Containment overlaid with feisty Wilsonian rhetoric. As the memoirs of the time attest, the Reaganites feared that a collapse of Containment might leave the United States genuinely isolated in a hostile world: the city on a hill under siege. Reagan's insight, whether born of calculation or intuition, was that the true virtue and power of Wilsonianism was not as a model for world peace but as an ideological weapon of war against tyranny. Reagan's optimistic blend of rhetorical militancy and operational caution (his use of force being confined to Grenada and, by proxy, Afghanistan and El Salvador) confused friend and foe but served to encourage the reforms by which Mikhail Gorbachev hoped to save, and ended up wrecking, the Soviet empire.

The boons that occurred on the watches of Presidents Reagan and Bush were, however, no guide for their successors. On the contrary, the disappearance of geopolitical threats persuaded the Clinton administration, staffed as it was with Carter veterans such as National Security Adviser Anthony Lake and Secretary of State Warren Christopher, that Meliorism's moment had arrived. Their doctrines of enlargement, assertive multilateralism, and statebuilding vastly expanded the goals of U.S. policy at a time when U.S. military and economic resources were flagging, and in any case pleased almost no one.

Conservatives noted that Clinton seemed eager to intervene only when U.S. interests were not engaged and criticized him for turning foreign policy into a branch of social work. Jimmy Carter, noting that the United States sent 20,000 soldiers to Bosnia while ignoring Africa's holocausts, called Clinton's policies racist. Pacific Rim leaders denounced enlargement as a form of imperialism and claimed superiority for Asian values. Europeans and Asians resented U.S. demands that they dismantle trade barriers. American lectures on reproductive issues offended Muslims and Catholics, the U.S. environmental agenda vexed developing nations, and U.S. attempts to halt the spread of nuclear and missile technology angered nations jealous of their sovereign right to self-defense. To all it seemed that an administration that extolled multiculturalism and diversity at home had little tolerance for them where other countries were concerned. Ironically, Clinton's mentor from his home state of Arkansas, J. William Fulbright, had been the sharpest questioner of America's ability "to create stability where there is chaos, the will to fight where there is defeatism, democracy where there is no tradition of it, and honest government where corruption is almost a way of life."[2]

Americans today seem at a loss. Global Meliorism either does not work or is beyond the country's means, but the only well-articulated alternative—Containment—happily seems unnecessary. Conceptual opulence parading as variations on the themes composed by Wilson

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[2]Donald S. Spencer, *The Carter Implosion: Jimmy Carter and the Amateur Style of Diplomacy*, New York: Praeger, 1988, p. 5.

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and Theodore Roosevelt has been little help, either because post–Cold War doctrinaires neglect the real progress American values have made abroad or because they mistake prudence for an isolationism that never was. It is time to return to first principles.

THE THIRD AMERICAN CENTURY

Which of the hallowed traditions remain valid, which may yet be useful if certain mistakes of the past are avoided, and which ought to be discarded forever? Let us command them to do an about-face and parade in review.

Global Meliorism rests on the conviction that most of the phenomena that threaten U.S. security are products of oppression and poverty, and that a wise foreign policy will attack causes rather than symptoms. Meliorism assumes that the United States possesses the power, prestige, technology, wealth, and altruism needed to reform whole nations, and that the U.S. government, having democratized Germany and Japan, rebuilt Europe, and presided over an unprecedented era of democratization and growth, knows how to uplift the poor and oppressed. Finally, it assumes that Americans want to dedicate their lives, fortunes, and sacred honor to that purpose.

None of these postulates is proven; every one may be false. The link between poverty and oppression, war and revolution, seems plausible, but not all beggars become criminals, nor do all authoritarian countries threaten their neighbors. What is more, if democracy merely means elections or majority rule, there is nothing inherently decent about it. Nor can one assume that all nations walk the same road toward democratic politics and prosperity. Even if they do, to act on that assumption is to ape the Bolsheviks, who claimed that scientific law was moving the world toward communism but behaved as though history needed their "help." As for foreign aid, the London School of Economics' recent study of 92 nations found that "no relationship exists between the levels of aid and rates of growth in recipient countries" and that government aid tends to discourage removal of barriers to private investment while "increasing the size of recipient governments and lining the pockets of elites."[3]

The United States ought simply to close its meliorist shop and either abolish its do-gooder agencies or redefine them as tools of the national interest, not of global reform. If nations in Asia, Africa, or the former communist world need capital, let their governments respect property, establish the rule of law, enforce contracts and commercial conventions, and adjust tax rates so as to attract private investors. If they do not want to take those steps, the United States cannot force them or take those steps for them.

Containment has been the most successful twentieth-century tradition because it is based on the Old Testament principle that the integrity of the American experiment requires that a balance of power prevail in Europe and East Asia. Containment's origins can be traced back to the diffusion of industrial power across Europe and to Russia and Japan, which undermined the nineteenth-century

[3] *Forbes*, March 11, 1996, p. 193. Economist Peter Boone directed the study for the National Bureau of Economic Research.

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balance. Americans were slow to appreciate the dangers this posed, and Wilson only clouded their judgment by casting the country's entry into World War I as a moral rather than a geopolitical act. But the failure of Wilsonianism after both world wars persuaded Americans that it is better to defend the balance of power before war breaks out.

Are geopolitics relevant now that the Cold War is over? Would not a continuation of the NATO and Japanese alliances beyond the emergency for which they were made violate Washington's great rule? In Washington's day, the European powers could be trusted to maintain their balance, and no Asian threat existed. Today, U.S. power is a vital factor in the European and Pacific equations. In Washington's day, the United States was inevitably junior partner in any alliance. Today, it is the senior partner, and need not relinquish its freedom to act or not act. Thus U.S. alliances might be thought of less as violations of Unilateralism than as extensions of the American System to the opposite shores of America's oceans.

No one can deny that the United States' Cold War career was painfully mixed. Maintaining deterrence was expensive and dangerous, Containment in Asia landed American troops in two tortuous wars, and the fight for the Third World led the United States to attempt hothouse revolutions in some countries and to consort with "friendly tyrants" in others. That is why America should not whisper "containment" with respect to China unless and until it has no other choice. The purpose of Containment is not to contest the rise of new powers but to buttress the balance that served so well from 1776 to 1917.

That modest definition of Containment contrasts with the vanity of Wilsonianism, not as fighting faith but as design for living. Wilsonianism views human conflict as an expungeable byproduct of greed, militarism, oppression, secret diplomacy, and idolatrous worship of the balance of power. Wilson imagined a world born again as a democratic league practicing disarmament, free trade, arbitration, and collective security. Of those tenets, freedom of trade and open sea-lanes remain vital interests that the U.S. Navy alone can defend. Wilson's "open covenants" did not survive the first week of his own conference, disarmament is the quickest way for the United States to lose its friends and encourage its enemies, and self-determination (as Wilson's secretary of state, Robert Lansing, predicted) is a Pandora's box that spews forth new horrors to this day. Finally, however much Wilson fudged the fact, the League of Nations implied an abridgment of the unilateralism that most Americans still cherish. Wilson's dream, as Henry Kissinger rightly notes, has even less of a chance in the era to come, since the ranks of the major powers may soon include Russia, China, India, Japan, Indonesia, Iran, and Nigeria, none of which has a tradition of Western jurisprudence. In historical perspective, Wilsonianism may well come to be seen as the product of one narrow strain of turn-of-the-century, Anglo-American, Progressive, Protestant thought.

That is not to say the United Nations is without merit. U.N. agencies administer regimes for the oceans, outer space, and telecommunications, and do good works in fields ranging from health to peacekeeping. But do they perform those

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tasks more efficiently—or less so—for being under the U.N. umbrella? The question is worth asking, case by case.

Progressive Imperialism is a complicated affair since it arose on the cusp between America's two Testaments. To the extent that U.S. imperialism was a moral crusade it deserves the censure it usually receives: the American colonial record is pathetic. But the geopolitical principle of U.S. imperialism was sound. Progressives ranging from Teddy Roosevelt to Herbert Croly, Wilson's publicist, knew that if U.S. interests in the Caribbean and the Pacific were to remain secure in the technological twentieth century, the United States must build a great fleet, acquire bases and coaling stations, guard the approaches to Panama, and ensure that local instability gave outside powers no pretext to trespass. Judging by the Bush and Clinton defenses of their actions in Panama and Haiti, the Roosevelt Corollary is accepted today. Americans still have a keen interest in policing their neighborhood, not least because the most immediate challenges to the nation's borders take the form of illegal immigration and drug smuggling.

Not that states go around nowadays annexing whatever isles look strategic—that sort of imperialism is taboo. But even if the United States no longer grows territorially, the principle behind Expansionism is valid. It warned that unless opportunities grow for Americans, their politics must degenerate into fights over a finite pie. In the nineteenth century, new farmland had to be found. In the early twentieth century, markets had to be found at home but also abroad for American manufactures. After 1945, an open and prosperous world economy had to rise from the wreckage of depression and war. The 21st century may call for "vertical expansion" into outer space, "invisible expansion" through cyberspace, or "submarine expansion" to mine and farm the seabed. But it will certainly require new and more secure markets abroad. The Clinton administration was right to make expansion of trade—NAFTA above all—a major goal. It erred only in believing that geoeconomics has replaced geopolitics. All economic activity, from a corner store in the Bronx to a multinational enterprise based in Hong Kong, depends on a predictable security environment.

NAFTA, in turn, demonstrates that the tradition of an American System is by no means dead. Let a hostile China court friends and build bases in Central America, or a rearmed Japan slip its moorings and meddle in South America, or a hostile Muslim state sponsor terrorism in the Americas, and the Monroe Doctrine (under whatever euphemism it goes by) will be back on the president's desk.

Unilateralism has been under a barrage because internationalists brand as isolationist anyone who sees virtue in it. Recommendations that the United States pare back its commitments in the wake of the Cold War deserve to be debated on their merits, bearing in mind Washington's and Jefferson's definitions of alliances that are "entangling": those that would impinge on U.S. sovereignty, harm its interests, or restrict its freedom of action. Do NATO, the Japanese alliance, the Organization of American States, or the informal tie with Israel harm U.S. interests, sovereignty, and freedom of action, or do they strengthen them against dangerous foreign contingencies? If these associations are harmful, they should be abolished. If, on the other hand, they serve national interests without

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compromising sovereignty, then how do they violate Washington's rule?

Which brings us to the original tradition that all the others were meant to serve: liberty at home. America's Old Testament prophets taught that foreign policy based on pacifism, ideology, or crusading zeal, far from being idealistic, was immoral and risky. Anti-Federalists feared that any federal establishment strong enough to defend America against the likes of Britain or France might threaten the liberty of Americans. They were right to worry, for the federal government has asked citizens to pay an enormous price in lives, liberty, and property to support the crusades of this century. That is why many Americans, rather than feeling puffed up by the collapse of the Soviet Union, brooded on "the end of the American dream." That is why Asians and Muslims laugh at the notion that "decadent" America could be a model for them. The beginning of wisdom is remembering that American Exceptionalism was originally conceived of as a measure of all that Americans *are*, not what they *do* far away.

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Review Essay

Cold War Universities

Tools of Power or Oases of Freedom?

Hanna Holborn Gray

The Cold War and the University: Towards an Intellectual History. EDITED BY ANDRÉ SCHIFFRIN. New York: New Press, 1997, 259 pp. $25.00.

The essays collected in *The Cold War and the University* take as their theme the effects of the Cold War on academic life and thought in America over five decades. The authors speak from their own experiences, many through autobiographical narrative and personal testimony. They speak, too, from the perspective of their disciplines, clustered in the social sciences—history (David Montgomery and Howard Zinn), political science (Ira Katznelson), anthropology (Laura Nader), sociology (Immanuel Wallerstein)—but also including evolutionary biology (Richard Lewontin) and the earth sciences (Ray Siever), linguistics (Noam Chomsky) and English literature (Richard Ohmann).

Although the volume does not purport to be a comprehensive history or to reach a set of common conclusions, it has a clear thrust. Situated all along the spectrum of the left, its authors share a critical stance toward the academy, a commitment to political engagement, and a belief that the academy cannot and should not stand apart from the urgent problems of the social order. They tend to regard the university as an instrument of the power structures that control the world and one that perpetuates its oppressions and repressions. They believe that universities were complicit in the Cold War and that, while continuing to claim to be places of intellectual freedom, in reality they further a conservative agenda. The ideal

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university of the authors' vision would serve as a corrective to such evils.

The individuals in academia who stood apart from their universities and opposed the Cold War, the authors believe, shaped the intellectual currents that have carried into today's approaches to scholarship and education, opening up broad areas of study and thought and transforming whole disciplines. The most interesting reflections in *The Cold War and the University* trace the intellectual history of disciplines and new objects and forms of academic attention. One need not agree with every proffered Cold War explanation to appreciate this introduction to the controversies, crises, and changes in the terrain of intellectual theory and debate that have animated the intellectual history of the academic professions over the last five decades.

The account is more vivid for the personal odysseys the authors describe. Montgomery and Zinn follow the career of the revisionist approach to traditional interpretations and the emergence of new areas of study in the field of history. Nader reconstructs the passionate battles in anthropology, while Katznelson analyzes the shift away from the consensus view in American political science. Wallerstein treats the creation of the new fields of area studies as a distinctively Cold War development and contrasts their origins with those of interdisciplinary fields, such as women's studies and African-American studies, that came into being later. Ohmann describes the transition in literary studies from the New Criticism to critical theory, multiculturalism, and other "isms."

But surveying the current scene, the authors see the gains won by dissidence and dissidents, resistance and revisionists, as under attack. The foe is a resurgent right that many of them think of as having blazed up from the embers of the Cold War. New culture wars are under way. While the authors would say that the ranks of the righteous have swelled, so that the contest is less lopsided than during the height of the Cold War, the soul of the university and the rightful role of the intellectual are again at stake.

LOOSE AND BAGGY MONSTER

The dreaded "Cold War" of the title remains ill-defined throughout the collection. Was it a historical period, a state of mind, a climate of enforced conformity, a system of thought, a security and foreign policy, a domestic political condition, a global conflict and its shadow, or some compound of these? The Cold War for the authors is an entire history; it is as if all that took place in the context of those years, from ideas and attitudes to institutional developments, could be attributed to the superpower rivalry.

And the Cold War is made both a cause and a symptom of a military-government-industrial complex. Richard Lewontin goes so far as to assert that if the Cold War had not existed, it would have had to be invented. He maintains that it allowed the government to intervene, in the face of the American tradition of anti-intervention, to sustain and expand an economy that would otherwise have suffered severe decline after the end of World War II. Citing the need for a vastly heightened defense against the Soviet Union and international communism, the federal government pumped taxpayer dollars into universities and research and training. National security demanded, government officials emphasized, not only

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superior technology but a better-educated citizenry, wider knowledge of other areas of the world, and more trained experts in crucial fields.

But unless one buys into the view that intellectual activity is essentially controlled by a state and its supporters who make war on intellectual and social freedom while propagating programs that advance their selfish interests, the account of the university on offer here is unsatisfying. The history of the American research university over 50 years cannot be comprehended through a single theme, no matter how significant. The authors ignore vital elements in the growth and transformation of the universities, such as the G.I. Bill, which made college possible for tens of thousands of veterans, and the related faith, which reached its zenith during the 1950s and early 1960s, that educational access and attainment were the keys to strengthening the promise of a democratic society. Nor do they look at the profound consequences of population growth and demographic shifts, the impact of economic recession, or the origins of the civil rights movement. They leave aside as well the internal dynamic of the disciplines of learning and its continuous questioning and re-formation of knowledge. Similarly, they omit much of a longer history extending back well beyond World War II, which would include delineation of the tensions inherent in the American university, with its perennially disputed roles, missions, and relationship to the outside world.

THE HAND THAT FEEDS

In Lewontin's view, despite the overbearing power the government deployed at home during the Cold War, "the greatest direct enemy of the Left in the academy was not a coherent policy of the state, but the opportunism and cowardice of boards of trustees and university administrators" who welcomed in federal funds while failing to defend their institutions' autonomy and their scholars' intellectual freedom. Too many university leaders bent before McCarthyism and its assaults and proved spineless in the matter of loyalty oaths or on the question of offering a home to Marxist scholars. Potentially more insidious was the influx of federal funds for research that was often narrowly targeted, with many regulations attached, and sometimes classified.

An examination of federal funding—its levels, administration, patterns of investment, declared and undeclared conditions and purposes—is central to an understanding of the development of academic research, and the university economy as a whole, over the past decades. But the larger effects of external funding from both government and private sources cannot be simply traced back to the Cold War and its presumed mentality. The system we now have, in which the faculty depend on grants for much of their research and which requires investment on a scale that only the federal government can manage, holds many dangers. This central and contentious issue, however, and the various ways it has been resolved or lived with, are only touched on narrowly in *The Cold War and the University.*

From the establishment of the National Science Foundation in 1950 to the present, universities have largely accepted a duality or mix of purposes where outside funding is involved, nor has this been thought entirely inappropriate. Basic research has benefited enormously, often in unanticipated ways, and practical

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applications have flowed from it. By and large the funding system has spurred the vigorous progress in scientific knowledge and capacity that have characterized the last half-century. At the same time, the other, regulatory side of this coin continues to pose a critical challenge to the requisite autonomies of academia.

FREEDOM FROM CONFORMITY

The authors of *The Cold War and the University* see their political movements—or rather, countermovements—as remaking the academic world to a higher political standard, rather than celebrating genuine academic freedom for all. But then, some at the extreme see all institutions and the hierarchies of knowledge as having ultimately to do with power, all claims to "truth" as a cover for other interests—hence an expression of the political. Taken to a logical conclusion (which most of the good scholars writing in this collection do not do), the mission of the university must necessarily remain political, even if benignly so. In short, the critique of the politicization of the university under Cold War pressures is not a denunciation of the political university as such but of the idea of the autonomous university, which the critics regard as a phantasm, the tool of a conservative agenda hypocritically singing of intellectual liberty and the disinterested pursuit of learning.

In fact, academic freedom is fundamental not only for the individual faculty member, protecting unpopular views from outside interference—or from collegial pressures toward internal conformity—but for the academic institution as a corporate entity, if the university is to create and maintain the space in which individuals can exercise their intellectual and creative freedom. "Political correctness"—the pressure, internal or external, to conform intellectually in the name of an assertedly valuable and predominating truth or cause—has always been the enemy of the academy's goals. Doctrines of political correctness may and have come from those of any political persuasion. Where such doctrines take hold, the persuasion is held out as an overriding end. Thus, it is asserted to be wrong—and indeed it is—for universities to become instruments of outside powers and interests, but right for universities to become advocates and instruments of change or mandated policies that are thought to be beneficent. In the latter case, the university may come to resemble the Republic of Virtue, but its freedom, and that of its faculty and students, has been compromised, subordinated to some presumed higher good outside the scope of the academy's mission.

In the histories yet to be written of the university over the last 50 years, or of postwar intellectual developments, *The Cold War and the University* will be, as it sets out to be, a source. But it will, I think, have a value somewhat different from that intended by its authors, one that follows, paradoxically, from the limitations imposed by its presentation of so strong and explicit a point of view, so single-minded and enclosed an argument, about the character of the Cold War academy. It will teach the future historian a good deal about the experience, perceptions, and ethos of those critics who were leading actors in the intellectual transformations they describe,

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about the continuing controversies over the university's and the intellectual's appropriate role in the larger world, and about the recurrent struggles over the uses and abuses of knowledge.

But the future historian will need to ask—because the authors of this collection have not—to what extent the history of the modern university bears the imprint of the Cold War and to what extent other domestic and global developments and relationships, unexplored here, must be understood as central. How may one penetrate the process of intellectual change? The historian will need to ponder whether the values of academic freedom, institutional autonomy, and intellectual integrity emerged strengthened or diminished after the challenges of the Cold War era, and whether the right not to conform has withstood the fragilities of the academic world itself.

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Mr. Heilbrunn's Planet

On Which the Germans Are Back

Josef Joffe et al.

Jacob Heilbrunn's account of the rising New Right in Germany reminds you of those prefab tales that America's European detractors like to serve up to the choir back home after a quick sweep through the country ("Germany's New Right," November/December 1996). Grab a few income statistics purporting to show that the rich are getting richer while the poor, what else, are getting poorer; visit a public school in the Bronx and conclude that nobody can read but everybody packs a piece; turn a pile of garbage into a towering symbol of urban decay; use a panhandler on 42nd and 8th as Exhibit A for America's mounting homeless crisis; finally, add some quotes from a leftish U.S. columnist inveighing against bigotry and injustice, and what do you get? A cheap indictment of the United States that "proves" what readers in your target audience have always "known": the United States is barbaric. Pandering to prejudices, such a piece will cast as much light on America's central realities as a trip to the garbage dump will teach people about a country's museums, colleges, literature, and economic system.

The events and names Heilbrunn uses are part of a tale that just might have had a sliver of reportorial credibility three years ago. But to a reader who knows a bit about Germany, these 19 pages about Rainer Zitelmann, Botho Strauss, or the *Historikerstreit* now seem like 9,000 words on the 1993 Kentucky Derby. If you are an aficionado, you may still remember a few of the losing horses, but reading about them today as if they were the grandsons of Secretariat leaves you scratching your head.

What does Heilbrunn want us to believe about post-reunification Germany? "A change is taking place in

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Germany, not at the political but at the intellectual level . . . A profound move to the right has been taking place among Germany's best-known novelists . . . The German new right consists not of skinheads in jackboots but journalists, novelists, professors, and young lawyers . . . Underlying new right positions is a deep hatred of the westernization of Germany under the influence of the United States," and so forth. Naturally, this is perfect fodder for those who will always worry about Germany. Never mind that "Greater Germany," seven years after reunification, remains the Federal Republic writ large: placid, sluggishly centrist even in the face of Depression-level unemployment; embodied in all its normality by the heavy, slightly oafish figure of Helmut Kohl, chancellor since 1982; a state that instead of throwing its weight around keeps insisting on *more* European integration while walking very softly when it comes to carrying the stick of military power in places like Bosnia. In short, Germany is boring. But since so many suspect it, there must be another, the *real,* Germany hiding behind this implausibly friendly giant—a country secretly polishing ye olde jackboots, dreaming of lost glory and new power, and ready to claim its No. 1 position loudly and insistently, with an Erich von Stroheim accent, of course.

SMALL FRY

Enter Heilbrunn. Whom does he trundle out to prove or insinuate the more enticing story? Let us take his favorite in the rogues' gallery of the German neo-right, a certain Herr Rainer Zitelmann. "The German new right," Heilbrunn writes, "does not have a politician like [the rightist Austrian populist] Jörg Haider. What it has are intellectuals like Rainer Zitelmann of *Die Welt,* founded by newspaper magnate Axel Springer. Zitelmann is the impresario of the new right."

What Heilbrunn either does not know or fails to tell us is that Mr. Big, which he never was, is strictly yesterday. In 1993, when Heilbrunn apparently conducted, and concluded, much of his research—you never quite know when the conversations he quotes took place—Zitelmann might have *looked* like an "impresario." He was head of *Die Welt*'s weekend culture section, which he purposely and insistently used as a platform for neo-rightist lore—his own stuff and that of his comrades in the Fatherland-saving business. Too bad for the American reader that Heilbrunn does not bring the story up to date. For, alas, Zitelmann, the master intellectual, proved too much even for the editorial staff of the right-of-center daily. After 50 editors signed a petition against the paper's "slide to the right" under Zitelmann, the "impresario" was dismissed from his editorial position.[1]

[1]For those who remember *Die Welt* as Germany's *New York Times* of the 1950s and 1960s, it is worth noting that this moderately right-of-center daily, a loss-maker for 20 years, is now the least important of Germany's quality papers, with a circulation less than half that of the liberal *Süddeutsche Zeitung* and the conservative *Frankfurter Allgemeine Zeitung.* On the petition, see "Revolte gegen Rechtsausleger," *Süddeutsche Zeitung,* March 12, 1994, p. 17. On Zitelmann's dismissal, see "'Geistige Welt' sucht nach einem neuen Chef," *Süddeutsche Zeitung,* May 6, 1994, p. 13.

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GERMAN EMBASSY

Kohl's worldview: his 1996 cookbook

In due time, Manfred Geist, the editor in chief who had brought Zitelmann to *Die Welt,* was also relieved and replaced by a centrist, Thomas Löffelholz. Heilbrunn's "impresario" of the new right was not fired outright, which is very hard to do under German labor law, but shunted into a staff position; when last heard from, he was apparently selling insurance on the side.[2] So much for the multiplying tentacles of the new right.

Nor does the story end here. Like a metastasizing cancer, Heilbrunn wants us to believe, Zitelmann allegedly used his position in the media business to implant the right authors and their books into Germany's collective consciousness. Before his disastrous move to *Die Welt,* Zitelmann was an editor at Ullstein Verlag, a sterling name that goes back to the Jewish publishing family of the Weimar Republic. But in another misreading, Heilbrunn calls Ullstein Publishing at the time "mainstream"—which is correct, if you are willing to call *The Washington Times* mainstream, too.

What Heilbrunn again either does not know or does not tell, lest it ruin his indictment, is that Ullstein was then co-owned by Herbert Fleissner, a rightist-conservative Sudeten German publisher who, in 1985, had fused his Langen-Müller with Springer's Ullstein in a joint holding called Ullstein-Langen-Müller Verlag. Deliberately testing the waters after reunification in 1990, Fleissner had allowed Zitelmann and his henchmen to publish a series of neo-nationalist, revisionist, and anti-left books—as Fleissner had in 1981 published the glorification of the Waffen SS by memoir-writing "paleo-rightist" Franz Schonhüber, who would later become mini-führer of the tiny right-wing Republikaner party. Here, in the middle of this budding *trahison de clercs,* we also find Karlheinz Weissmann, another central figure in Heilbrunn's panopticon of would-be Alfred Rosenbergs and Joseph Goebbelses, "young German historians" producing "a seemingly endless stream of books . . . that make for eyebrow-raising reading."

With Zitelmann's active connivance, Weissmann was indeed invited to write a book on the Nazi period for the distinguished Propyläen German History series (Propyläen, please note, had also been acquired by Fleissner in the Ullstein deal). The main thrust of the book is, as

[2] "Keine Sorge, Rainer Zitelmann!" *Die Woche,* August 9, 1996, p. 40.

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Heilbrunn correctly points out, that "in neither its intentions nor its actions did Nazi Germany differ from its enemies." Moreover, Weissmann declared that it was high time to "demystify Nazism" and to reach a "normalization" of historical understanding—a German code word for finally burying the Nazi past. Naturally, this raised a storm of indignation in the press and among historians, but that was not the main moral of the tale.

The real point, again, one that Heilbrunn ignores lest it ruin his case, was the German reaction to the "re-reeducation" shenanigans of Zitelmann, Weissmann, et al. If this was a cancer, the German body politic soon unleashed powerful antibodies. In this case, the soi-disant right-wing Axel Springer Verlag, undoubtedly irked by the nasty publicity, took back both Ullstein and Propyläen from Fleissner, effective January 1, 1996, dissolving the joint holding. A few months later, the Weissmann volume, which, according to Heilbrunn, had become a "sacred text" to the author's "new right followers," was expelled from Propyläen's backlist.

STILL SELF-FLAGELLATING

So much for the attempt of the Zitelmanns to take over Germany. Nor does any of the other evidence Heilbrunn marshals buttress his indictment—although the Zitelmann episode is his most grievous misreading of reality. He thinks that a new periodical, *Die junge Freiheit* (Young freedom), is the latter-day yuppie equivalent of *Das Reich,* the journal of the SS intelligentsia. According to Heilbrunn, the magazine has "strong financial backing from German industrialists." This will probably be news to its publishers and editors since *Die junge Freiheit,* in spite of its hip packaging of the neo-rightist message, is on the verge of bankruptcy. It is a bad bet to make it through 1997.

Let us move from these dreary details to the general point. It will take a lot more to budge present-day Germany from its sluggish centrist position than the Zitelmanns and *Young Freedom* fighters. Just look at the reception that greeted Harvard scholar Daniel Goldhagen in Germany last year. For 700 pages in the German translation of his book, *Hitler's Willing Executioners,* Goldhagen told the Germans, in so many words, that the Holocaust could only have happened in Germany because they were the way they were—infected, alone among nations, by the bacillus of "eliminationist anti-Semitism," which turned annihilationist when the time was right. If Heilbrunn were even half right, 80 million Germans should have risen in violent protest against the impudent American Jew who would once more stick them with the notorious "German national character" thesis. Actually, much of the historical profession and many pundits tried to kill *Hitler's Willing Executioners* as early as April—months before the translation would arrive on the German market in August. The critics branded it as "unoriginal," "sensationalist," "old hat"—in short, "don't read."

But when Goldhagen showed up in Germany in September, his book promotion tour turned into a "triumphal procession," as the weekly *Die Zeit* called it.[3]

[3]I have written a more thorough discussion of the book's German reception, "Goldhagen in Germany," *The New York Review of Books,* November 28, 1996.

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People came to blows over tickets to the panel discussions in which Goldhagen participated; the last one, in Munich, had to be moved from a medium-sized theater to the 2,500-seat hall where the Philharmonic performs. By Christmas, 165,000 copies had been sold—more than in the United States, a market over three times as large.

THE BORING TRUTH

Let's restate the basic point. Apart from not doing his homework, Heilbrunn is so utterly wrong on Germany because the old—and admittedly very compelling—theories on Germany no longer work. Germany, that enigmatic and brooding Bismarckian construction that belonged to neither East nor West, that tottering powerhouse that went off on a pathological course at the beginning of the twentieth century, that Germany is no more. Germany is now of and in the West, with a political system more liberal than France's and more decentralized than Britain's. It is ultra-stable and yet more capable of reform than France, Spain, or Italy. It is normal, and it is boring. And thank God for that.

To convict on Heilbrunn's indictment, a very different set of exhibits would have to be brought into court. First, where in Germany is a significant right-wing party—like Haider's Free Democrats or Le Pen's National Front? It does not exist. The cynically misnamed Republikaners have been languishing for years around the two percent mark—despite relentlessly rising unemployment.

Second, who is trying to make hay of Germany's alleged oppression by sinister forces that would exploit the country's Nazi past? Every once in a while, some politician pops up from this or that part of the legitimate party spectrum and tries to raise a flag against Brussels or the euro. The message from the voters, over and over again, is this: Neo-nationalism does not pay, no matter how skeptical we are about the monetary union or the European Union's banana regulations.

Third, where is the soil on which such parties and politicos might flourish? That is the most important usual suspect who cannot be rounded up. The pied pipers' tunes of the 1920s and 1930s simply do not resonate in modern Germany because the underlying reality, the humiliation of 1919, is missing. How can anybody say "Brussels" and mean "Versailles" when European integration is the very framework of Germany's legitimacy and influence? How could anybody invoke "discrimination," as after 1919, when the world outside does not try to hold down German military power but positively *begs* Bonn to contribute forces for duty in Somalia, Bosnia, Zaire . . . How could anybody even begin to preach national reassertion in a world where 30 percent of Germany's GDP goes into exports and two-thirds of those go to the European Union?

The politics of resentment and nationalism does not work in a society that has come away with a powerful double lesson from the catastrophe of 1914-1945 and the benign 50 years that followed. When Germany went it alone, it reaped ever worse disaster; when Germany voluntarily accepted the ties of community and integration, it flourished beyond belief.

PANGS OF DOUBT

To his credit, Heilbrunn does not completely evade this rather basic insight. At the end of his piece, he writes: "To think

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of the new right as a new mass party, however, is a mistake. The new right is no cause for panic." But why does he spend the preceding 18 pages stoking panic with such insubstantial kindling? Why does he try to build an indictment on the basis of evidence that is so woefully out of date? If he had published this article as a piece of reportage in *The New Republic* in, say, 1993, it would still have been off the mark, but not as wildly errant as it was in late 1996.

An essay like Heilbrunn's should set off alarm bells in any editorial office. The story tries to reverse established wisdom on the basis of arbitrary, shoddy, indeed bizarre evidence (Who is Mr. Zitelmann?) that cannot quite be nailed down in time and space. Nor does the story discuss, let alone try to disprove, contrary evidence; instead it ignores the mountain in favor of the ugly little molehill. Yes, Germany could turn neo-nationalist and revisionist, but then Bill Clinton could take a vow of chastity, and Newt Gingrich could demand a 30 percent increase in welfare spending. In each case, the supporting evidence should, at a minimum, be equal to the enormity of the claim.

Apples and Oranges

MARK LILLA

By focusing his attention on books like *Die selbstbewußte Nation*, newspapers like *Junge Freiheit*, editors like Rainer Zitelmann, and writers like Botho Strauss, Heilbrunn has performed a real service for his English-speaking readers. But perhaps in an attempt to inflate the new right's influence, he has misled his readers—and perhaps himself—by associating the movement's leaders with a number of other thinkers and writers who not only have nothing to do with the new right but actually represent an alternative to it.

Heilbrunn correctly links nationalist mystagogues like the dramatist Strauss to film director Hans Jürgen Syberberg and historian Ernst Nolte. But what conceivable connection can there be between these figures and writers like Hans Magnus Enzensberger and Martin Walser, let alone philosopher Hermann Lübbe, journalist Frank Schirrmacher, and—most absurd of all—the late social democratic politician Kurt Schumacher?

The first group represents a very old and deeply anti-Western element of German culture that was revived by the '68 left and is now being manipulated by the right. But the second group is highly critical of this old German mysticism, in whatever contemporary form it might take. Its members have made their peace (some later than others) with the idea of the German nation, not out of romantic inspiration but out of the sober realization that national feelings are a fact of political life, however unpleasant, and must be recognized if they are to be kept in check. None are anti-American.

Simply put, these two groups represent different historical, political, and—this being Germany—moral phenomena. To insist on distinguishing them is not to split hairs; it is absolutely essential to understanding the real political stakes in Germany's current intellectual debates.

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Kohl's Right

MICHAEL MERTES

Heilbrunn's task was hardly simple. Describing the new right is like grabbing a wet bar of soap—and a shrinking one at that. Never large to begin with, the movement's inner circle seems to have collapsed since its zenith in 1995. Although I agree with many of Heilbrunn's claims about the new right, he is wrong to state—or even insinuate—that Brigitte Seebacher-Brandt, Michael Wolffsohn, and Frank Schirrmacher are among its ranks.

Those who form the new right's inner circle are strongly opposed to Helmut Kohl's pro-Western foreign policy. In his 14 years in office, Kohl has made it clear that he stands for the irrevocable integration of the Federal Republic into the European-Atlantic community of nations. His firm commitment to European Monetary Union (EMU) is but the most recent example of his decidedly antinationalistic approach.

The problem facing the true core of the new right is that they lack everything required for political success: attractive personalities, a minimum of team spirit, a coherent party program, an effective party organization, and—last but certainly not least—voters. As far as I know, Manfred Brunner is the only true member of the new right ever to run for parliamentary office, and he failed miserably; running for the European Parliament as the leader of a party that fought, on nationalist grounds, against the imminent "abolition of the deutsche mark by the Euro," Brunner received only 1.1 percent of the vote—hardly impressive.

Heilbrunn points to such facts with unmistakable clarity. Whatever his survey's shortcomings, it should not be interpreted as an argument that the second German Republic—as so often alleged in past years and decades—is preparing for the coming of the Fourth Reich. Such ugliness often lies not in the truth, but in the eye of the beholder, and I find no such ugliness in Heilbrunn.

MICHAEL MERTES *is Director-General for Political Analysis and Cultural Affairs at the Federal Chancellery in Bonn.*

Falsely Accused

MICHAEL WOLFFSOHN

I have always thought that *Foreign Affairs* deals with fact rather than fiction. I may have been wrong. The way Jacob Heilbrunn described my own political positions and convictions had nothing to do with fact. It was pure fiction.

Heilbrunn calls me a "sympathizer" of people whom he describes as having "a deep hatred of the westernization of Germany under the influence of the United States." Those who have read my books or articles or know of my German-Jewish-Israeli biography are well aware of my bridge-building activities between Germany and the United States. My bi-weekly columns in *Bild Zeitung*, Germany's largest daily newspaper, stand as proof of this German-American-Jewish involvement.

DR. MICHAEL WOLFFSOHN *is a Professor at the Historisches Institut at Universität der Bundeswahr München in Munich.*

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Witch Hunt

MICHAEL STÜRMER

Heilbrunn's article is based on sloppy research and comes to flimsy conclusions revealing little or no understanding of who's who in today's Germany. Instead of wondering why there is no significant German right, he concocts a conspiracy theory. And as he cannot prove his point through marginal figures, he adds some respectable names. I was not amused to find myself, along with Wolfgang Schäuble, Hermann Lübbe, Michael Wolffsohn et al. accused and condemned as sympathizers of people whom Heilbrunn describes as being driven by "a deep hatred of the westernization of Germany under the influence of the United States."

I take exception to such nonsense inspired at best by hearsay, at worst by an attempt at moral assassination. I was interested to learn, for example, that Ernst Nolte, already well established when I was still a doctoral candidate, should have needed my tutoring and "followed up" my writing. I should also like to know precisely when and where, in the "mid-1970s," I fired broadsides against '68ers, permissiveness, and loss of pride in German history.

The reality was very different: Herman Lübbe and a few others, myself included, tried to save some sense and knowledge of history against the wilder proposals for school curricula pronounced, at the time, under the flag of anti-capitalism and anti-Americanism.

While Germany is struggling with unification and globalization, and promotes NATO expansion, EMU, and European integration, Heilbrunn is searching for sinister forces working behind the scenes to set the country adrift.

MICHAEL STÜRMER *is a Professor at Stiftung Wissenschaft und Politik in Ebenhausen, Germany.*

The Older Right

NORMAN BIRNBAUM

It is difficult to understand why Heilbrunn attaches so much importance to the supposed antecedents of today's new right. Moving away from younger enthusiasms has characterized many generations since 1641, 1792, and 1917. Today's younger Germans are exceedingly unlikely candidates for steadfastness. Perhaps more could be learned by asking about the political choices of their parents—and grandparents.

In any event, the peculiar combination of historical vacuity, narcissistic chauvinism, and provincial *ressentiment* they voice may not be quite as new as Heilbrunn supposes. The editorials on the right side of the *Frankfurter Allgemeine Zeitung*'s front pages have, for the past four decades or so, frequently expressed the same sentiments, if in rather less strident tones. Finally, Heilbrunn is a younger scholar and his trips to Germany have clearly been commendably ascetic. Had he spent much time in the front cabins of airliners talking with German business executives, he would have derived a rather more nuanced perspective of the originality of the views propounded by Germany's self-proclaimed new thinkers.

NORMAN BIRNBAUM *is University Professor at the Georgetown University Law Center in Washington, D.C.*

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Reply

Heilbrunn Replies

Josef Joffe is frantically defending something I never attacked. Nowhere in my article did I say that German democracy was in peril or that figures such as Rainer Zitelmann would "take over Germany." On the contrary, in my first paragraph I emphasized that despite numerous warnings after the fall of the Berlin Wall that a reunified Germany would begin to flex its muscles, the "Bonn political elite . . . has been remarkably resistant to change." Far from issuing an "indictment" of Germany, as Joffe puts it, I attempted to place the followers of the new right in their proper context by calling them "heretics." And far from wanting readers to "believe" anything about post-reunification Germany, I stressed the ambiguous character of the new right and attempted to offer a dispassionate account of the impassioned intellectual debates over national identity and pride.

Joffe will have none of this. To expose my story as hopelessly outdated and based on inept research, he singles out my depictions of Zitelmann and Karlheinz Weissmann. Joffe would have us believe that Zitelmann is a cowed figure. But when I spent the month of January 1996 researching my article, Zitelmann continued to write for *Die Welt*, attracted attention in newspapers such as the *Frankfurter Allgemeine Zeitung* and *Die Zeit*, and remained a guru for members of the new right. I find it difficult to share Joffe's description of the Ullstein publishing house as ever having been beyond the "mainstream"; the firm has always published hundreds of books on a variety of topics. Joffe also maintains that the deletion of Weissmann's book, *The Way Into the Abyss*, from the Propyläen list has put paid to his revisionist pretensions. But Weissmann's efforts were recently defended by Germany's leading political scientist, Arnulf Baring of the Free University Berlin, who has himself moved from the left to neoconservatism, in an essay in the right-wing weekly *Welt Am Sonntag*.

I would argue that the public profile of the new right remains higher than Joffe is willing to acknowledge. Indeed, though Joffe claims the new right was finished in 1993, the movement had its most spectacular success with a publication of an appeal in April 1995 in the *Frankfurter Allgemeine Zeitung* denouncing the liberal German media for its "one-sided" focus on German surrender on May 8, 1945, as an act of liberation.

Finally, Joffe invokes the popular reception in Germany of Daniel Goldhagen's egregious book to argue that if I were "even half right," the German people should have risen en masse in protest against it. Once more, Joffe grossly exaggerates the depth of nationalist sentiment that I attributed to most Germans. If Goldhagen's tour of Germany showed anything, it was that German youths were all too ready to place themselves retroactively on the "good" side of history by embracing an American Jewish author's blanket condemnation of their forefathers and by transforming him into a media star.

As Michael Wolffsohn's letter indicates, the last thing most German neoconservatives want is to be linked in any way with the new right. But what is one supposed to think when this self-described "German-Jewish patriot," writing in the July 17, 1994, *Hamburger Abendblatt*,

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announces that "no smelly old-right stench wafts around Karlheinz Weissmann, Brigitte Seebacher-Brandt . . . Botho Strauss and others. . . . They are not resigned and defensive. They are unbelievably and unusually offensive, rebellious conservatives. . . . The spirit today is on the right: right-democratic."

I am, however, sorry to see that Michael Stürmer, who has been criticized by new right figures for his staunch Atlanticism, took umbrage at my reference to his calls for a robust German national identity. To take just one example, in an essay in the *Frankfurter Allgemeine Zeitung* on April 25, 1986, entitled "History in a history-less land," Stürmer observed that "loss of orientation and the search for identity are brothers. But anyone who believes that this has no effect on politics and the future ignores the fact that in a land without history whoever supplies memory, shapes concepts, and interprets the past will win the future."

Stürmer was right. A battle has begun to take place on the intellectual level over German national identity. To describe this battle is not tantamount to blotting the escutcheon of the Federal Republic. What is Joffe so frightened of? German democracy is strong enough to survive the new right.

JACOB HEILBRUNN *is an Associate Editor at* The New Republic.

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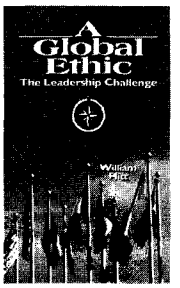

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The West: Precious, Not Unique

Civilizations Make for a Poor Paradigm

Just Like the Rest

G. JOHN IKENBERRY

Just when we thought it was safe to relax, Samuel P. Huntington has arrived with bad news: the old world of realpolitik and great power tensions may have faded, but it has been replaced by an even nastier and less predictable world of looming cultural and religious conflict ("The West: Unique, Not Universal," November/December 1996). And unlike the passing era of power politics, Huntington claims, civilizational politics resists reason and resolution. A prudent West must accept this new dangerous reality, rally together, and prepare for the worst.

The problem with Huntington's provocative thesis is that it is wildly overstated and, if ideas by prominent thinkers have any impact in the real world, potentially dangerous. To begin, the basic features that Huntington ascribes to the West—democracy, limited government, and the rule of law—may have emerged first in Europe, but they are not fundamentally a cultural or civilizational phenomenon. They are institutions and practices that are manifest across diverse cultures and societies, driven as much by capitalism and the functional demands of exchange as anything else.

Furthermore, being optimistic about the spread of "Western" principles and practices does not require a simple-minded belief in convergence. As Huntington knows, sophisticated versions of modernization theory never expected convergence of other cultures and societies into a universal Western model. Modernization meant mutual adaptation to industrialism, with the anticipated emergence of increasingly complex and mixed systems that combined many elements, Western and non-Western.

There have also been striking shifts in political culture in major non-Western societies, not least of them Japan. One of the most remarkable developments in the postwar era has been the complete transformation of Japan's (and Germany's) imperialist and militarist political and social structures. It seems farfetched to appreciate the dramatic evolution in the political culture of the major fascist and revisionist states of the twentieth century yet also argue that non-Western states are prisoners of their cultures.

Contrary to Huntington, a belief in universalism and global cultural homoge-

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nization is not necessary to pursue an order that goes beyond the historical West. All that is needed are states with commitments to democracy, free markets, and the rule of law. Societies and civilizations can remain very diverse yet still evolve deeply rooted commitments to these basic organizational principles. As a result, the most robust and relevant political community is not limited to the Atlantic world, but stretches well beyond—to a larger (but certainly not global) grouping of democratic countries with market-oriented economies.

Even if Huntington were right in asserting that the West is fundamentally different from the rest, inter-civilizational conflict is by no means inevitable—but it is probably more likely if our leaders take Huntington's thesis to heart. Declaring civilizational divides would invite countergroupings and risk triggering precisely the types of antagonisms that Huntington anticipates. This is the civilizational equivalent of the "security dilemma"—Huntington wants the West to defensively guard against the coming clash, but to other powers like China and Japan the circling of the Western wagons will look like a declaration of a new Cold War.

The appeal of Huntington's thesis is that it provides a ready and easily grasped ideology for shoring up American relations with Europe. With the Cold War over, what will be the glue that holds the Atlantic alliance together? Appealing to Western civilization—which separates "us" from "the rest"—seems like a convenient place to start. Unfortunately, such an appeal solves one problem—how to solidify a common Atlantic identity—by creating even more dangerous ones across other oceans and continents.

Finally, Huntington fails to appreciate the larger political community of free market democracies that the West, led by the United States, has constructed. Although undoubtedly anchored in the Atlantic world, that community now incorporates a significant portion of the globe. Robust and expanding, it has developed its own institutions and practices for conflict management and dispute resolution, lending it an unprecedented stability. That larger community may be more difficult to label, but it is far more significant than Huntington's vision of Western civilization.

Huntington sees the great alternative visions of the future as either a universal civilization based on the spread of Western consumerism and popular culture or else what he considers the more sober reality of civilizational divide. But that is not the choice. The world is moving to a divide best seen as one between the open societies with accountable governments and the rest. The United States stands at the center of this wider community of democracies, and it would be a tragic squandering of this accomplishment to settle for an inward-looking and defensive "little West."

G. JOHN IKENBERRY *is Associate Professor of Political Science at the University of Pennsylvania.*

Dangerous Conjecture

TONY SMITH

The ease with which Huntington partitions the world into civilizations divided by political fault lines astonishes me. Establishing who exactly is "Western" is the first point of contention. For starters, why doesn't he count Latin

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America as "Western," given its remarkable odyssey over the last two decades, a journey that has brought it politically, economically, and culturally closer to North America and Western Europe than it has been in centuries?

And if Latin America is evolving as Western, why not others? Where in Huntington's account are countries like Japan, India, the Philippines, and Israel to be found? Given his dubious list of criteria to determine who is a member of the Western club, apparently they are no more a part of the West than Latin America, despite their democratic polities, liberalizing economies, and, in the case of Israel and Japan, long-standing alliance with the West. Too bad also, we must suppose, for latecomers like South Africa or South Korea. And the same for Russia, apparently hopelessly foreign to the West by virtue of its Orthodox brand of Christianity—which it shares with Greece, soon to be drummed out of NATO for no better reason than its Orthodox heritage.

All of this frontier-drawing might be no more than academic quibbling had Huntington not issued an explicit call for the West to don battle gear in preparation for the conflicts he anticipates with the non-Western world—especially, we must assume, with the Muslim world and China. The danger, of course, is that this kind of thinking has the logic of a self-fulfilling prophecy. Perhaps conflicts with other civilizations will arise in any event, but they become all the more likely if we assume that other civilizations are inherently evil and raise the ramparts against them rather than bridging our differences with them.

On both counts, then, Huntington's essay is a most unsatisfying statement. It provides neither an accurate picture of the world's evolving political boundaries nor a credible prophecy as to what genuine security threats the future holds.

TONY SMITH *is Chair of the Department of Political Science at Tufts University and a Fellow at the Woodrow Wilson International Center for Scholars.*

East Comes West

DAVID HOWELL

Huntington is behind the times. Cocacolonization is yesterday's story. The issue today—at least in Europe—is not the westernization of the east but the easternization of the West.

Europeans are now debating how to draw on the techniques and financial power of Asia in order to shore up their uncompetitive economies and form alliances with the new Asian corporate giants.

So here we have the Meiji Restoration in reverse. But it goes further than that. Political thinkers in Europe are also looking to the strengths of Confucian society to shore up the West's crumbling values system.

I fear that Huntington's call to return to the Atlantic pond, with its "precious and unique" civilization, comes far too late. Unless we learn quickly from the more cohesive and infinitely more successful societies of the dynamic east and weave together the best of what they have to offer with the best of our own traditions, there will be little left in real Western life that is either precious or unique.

DAVID HOWELL *is a member of the British Parliament and Chairman of the House of Commons Foreign Affairs Committee.*

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Capital, Not Culture

BRUCE NUSSBAUM

Despite the great publicity Huntington has received, his thesis has extraordinarily weak explanatory power and offers virtually no guidance in applied foreign policy. His prediction of civilizational conflict reflects the paucity of post-Cold War foreign policy paradigms, not the fresh insight of a millennial George Kennan.

His argument is weak, first and foremost, because it is built on the concept of "culture," which has about as much concrete definition as a snowflake in June. All cultures contain all values universally. It is the specific configuration of elites, institutions, and technology within a particular economic system that determines which values dominate at any one time. What is "Confucianism" in 1997? Is it the centralized authoritarian collectivism of China's delegitimized elite, which uses extreme nationalism and anti-Westernism to replace a lost communist ideology? Or is Confucianism today the market democracy of Taiwan? And what about Korea, with its labor unions, free elections, and recent jailing of one-time military dictators? Even the most superficial analysis of Korea over the past decade reveals an amazing transformation from militaristic authoritarianism to wild-and-woolly democracy. Has Korean culture somehow transformed itself in that short period of time? No, but the economy, the leadership, and the parties have certainly changed.

We can play the same games for each and every civilization Huntington mentions. If you want a more useful post-Cold War foreign policy paradigm, you don't have to go much further than the "long" nineteenth century that extended into the 1930s. It's not the Clash of Civilizations but the Clash of Capitalism that is occurring today. The end of the Cold War has reopened the global economy, tripling the size of international capitalism. A bipolar capitalism is developing, pitting mercantilists against free traders, the Pacific against the Atlantic, and China versus the United States and Europe. The jostling of states striving to move up the economic ladder and the fearful efforts of others who are sliding down define the current age. It's Balance of Power redux, with a high-tech gloss. For inspiration, it's Henry, not Sam; Metternich, not Weber.

The best thing that can be said about Huntington's thesis is that it provokes. The worst that can be said of it is that it might provide pseudo-intellectual ammunition to nativists everywhere seeking justification for ugly thoughts and uglier deeds.

BRUCE NUSSBAUM *is Editorial Page Editor at* BusinessWeek.

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Culture Clash-ification

A Verse to Huntington's Curse

Frederick S. Tipson

We owe to Samuel Huntington a potent provocation,
A trenchant tract to counteract a clear exaggeration:
The notion that the West has won, its culture now supreme,
His book rejects—and then corrects—as wishful in extreme.[1]

For, he insists, our world consists of cultural formations
Arising (and revising) out of eight great civilizations.[2]
He sets our pulses pounding and our wisdom teeth to gnashing
With come-to-blows scenarios of different cultures clashing.

This is of course a tour de force, but somewhere in the tour,
Huntington has been undone by *paradigm-amour.*
For in his zeal to wheel and deal in fundamental frameworks,
He misses cues and misconstrues just how the global game works.
What Sam doesn't seem to get, despite the implications,
Is that the game has been reset by telecommunications.

Networks and computing make the difference fundamental,
By skewing and redoing social bonds—and governmental.
Since entity identity is much more problematic,
Crash-courses in world politics should not be so dogmatic.

FRED TIPSON's at AT&T, though not the Verse Division. The views expressed (you might have guessed) are lacking supervision.

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For cultures have been compromised, foundations have been shaken;
Resistant values often overwhelmed or overtaken.
These bouts are seldom brittle, like tectonic plates colliding,
But mushy in the middle—more like pools of ink eliding.

The economic pressures for survival and performance
Have helped to steer the atmosphere to cultural conformance.
The reach of voice and video is widely so invasive,
They bleach each local culture like a very harsh abrasive.

Each center hones distinctive tones, yet even these evolve,
So neither core is like before, and outer realms dissolve.
And though we tow our sentiments and symbols from the past,
Their meaning has been leaning as their context is recast.
While all the cards are shuffled and the deck's in disarray,
The task is how to reavow the order of the day.

§

Yet Huntington is skeptical of cultural convergence,
And won't endorse the course of what is widely in emergence:
A market-based and liberal-laced embrace of competition,
Against which local cultures often brace in opposition.

These global/local battles are recycled and reheated
In country after country where these ruptures are repeated:
The worldly cosmopolitans confronting long tradition;
Though neither strand may take command, all culture's in transition.

---

[1] Among the recent essayists he wishes to refute
Is one who sees the past as a prolonged progressive route,
A histrionic, Hegelistic, dialectic drama:
The "end of history" thesis framed by Francis Fukuyama.

[2] He puts on tap a global map depicting nine divisions,
But then proceeds (because he needs) to make repeat revisions.
Six are clearly central—though their scope remains dynamic:
Western, Hindu, Sinic, Latin, Japanese, Islamic.
But Orthodox and African might also give us trouble,
And Buddhist is the shrewdest, since it may just be a double
[Therevada and Mahayana/Lamaist].
Because so much depends on it, he really should define
If the mix is just those six—or seven, eight, or nine!

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His model may appear to be well-grounded in the past,
But Huntington has pitched his product much too hard and fast.
As he explores these culture wars, he seems to be inviting
What used to be a weakness of the school of "realist" writing,

Ascribing to a concept, like a culture or a state,
A physical reality which doesn't quite equate.
This realist bard from Harvard Yard distorts important factors,
Converting complex cultures into unitary actors;
What Morgenthau and Wolfers did with power among nations,
Huntington has nearly done with full-scale civilizations.

The West, he thinks, is better off consolidating ranks,
Resisting multicultural promoters and their planks,
For cultural dilution means political exposure,
A kind of mind pollution which detracts from value closure.

On human rights the West retains no copyright or patents;
Reforms of basic norms is not a test among combatants.
And so, despite his histrionic altitude and brilliance,
He overstates the length and strength of cultural resilience.

China doesn't merit a description as Confucian
After what has happened since the Maoist Revolution.
Mao's ideas were "Western"—mainly Marxist and Hegelian,
Confused less with Confucius than with Bernard Shaw's *Pygmalion*—

And surely Deng (although he's sung of spiritual pollution)
Has made the pitch that getting rich can be its own solution.
It isn't that Confucianism isn't there at all,
But, rather, it has undergone enormous overhaul.

Likewise, growing NATO's writ by moving east its proxy
Only reignites the frights of Russian orthodoxy.
It strikes me as a dangerous form of policy confusion,
Boosting culture clashes through a self-fulfilled conclusion.

His quickness has the slickness of a Disney-style cartoon,
The feeling of a foray, or a major trial balloon.
His book conveys a challenge, like he wants us to refute him,
Daring us, by scaring us, to doubt him or dispute him.

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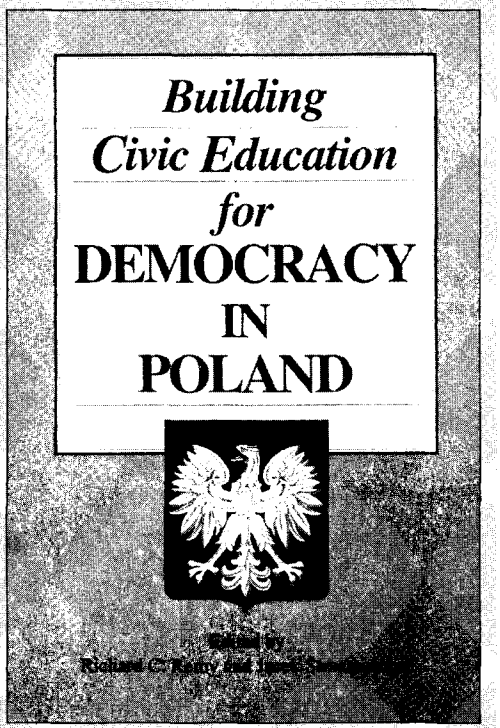

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Which is fine for academic-argument-displaying
As long as someone powerful won't act on what he's saying.
Because the final irony of Huntington's portrayal
Is that in *other* countries he may make his biggest sale.

Politicians prone to pick what's overripe or rotten
May resurrect a culture that is gone but not forgotten,
Building on the current state of cultural confusion
To craft a cult of closure or a culture of exclusion.
We publish at our peril and we magnify the dangers
By lending credibility to cultural estrangers.

I prefer a paradigm intent on integration,
The framework for a future forged by acts of innovation:
Taking expectations from technology and trends
And staking aspirations on the future that impends.

All this implies a vision less fixated on our seams
And giving much more weight to global specialized regimes:
Those critical components of a global public order
Of commonsense consensus, both cross-culture and cross-border.

History's indispensable to shape our understanding,
But it needs to be there at the takeoff, not the landing.
To find our voice and tools of choice in shaping human futures,
We need to nurse that vision not with scalpels, but with sutures.
Huntington as scientist may well deduce his stances,
But Huntington as moralist might just reduce our chances.

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Letters to the Editor

Richard Holbrooke on Bosnia

To the Editor:

Radha Kumar is to be congratulated for a creative and insightful approach to a recurring dilemma in international relations ("The Troubled History of Partition," January/February 1997). In most ways her views closely parallel my own. It is ironic, then, that her brief references to me may leave the reader with the impression that I either favored partition of Bosnia during my negotiations or am now reconciled to it. Neither is true. As I wrote in *Time* magazine last May, I believe partition would leave the region in a perpetual state of unresolved tension, keep the international community involved longer and at greater cost, and risk igniting other boundary disputes in the region (Kosovo, Albania, and Macedonia, at a minimum, are highly explosive).

At Dayton the warring parties agreed to accept a single state. The parties, including the Bosnian Serbs, went further than vague rhetoric. They also accepted the key elements of a sovereign state: a single, clearly defined international border; an internationally recognized central government and United Nations membership; a three-person presidency chosen by direct, free, and internationally supervised elections; a freely elected national assembly; a central bank and a single currency; compliance with the International War Crimes Tribunal; a "Supreme Court"; and joint commissions for such matters as railroads, national monuments, and even human rights.

These were, I stress, only paper agreements, but they were quite clear. Furthermore, some critically important parts of Dayton *were* carried out rapidly and successfully on the ground. Sarajevo was united under Federation control, the contending military forces separated, and, above all, the war ended.

This went far beyond anything outside observers had thought possible. But, as I said at the initialing ceremony in Dayton on November 21, 1995, implementing the political parts of the agreement was bound to be just as difficult as negotiating them. At the time, my remarks seemed to some to be unduly somber, but they were based on concerns similar to those Kumar raises. After all, although the Bosnian Serbs (including the Bosnian Serb leader, Radovan Karadžić) signed the Dayton Agreements, they did so under duress. It was evident from the outset that the Pale leadership would try to undermine the political aspects of the agreements whenever possible. Their goal would be to preserve total control of Republika Srpska, in effect conceding that they

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had lost Sarajevo and failed to destroy the Bosnian Federation.

Kumar's fear that Dayton might become a step in the process of turning Bosnia into another Cyprus is therefore justified—but she is wrong to suggest that this was its intention. In fact, a similar concern was on the minds of our negotiating team as we shuttled across the Balkans in the fall of 1995. Our first priority, of course, was to stop the war; unless this was accomplished it would have been impossible even to discuss, let alone resolve, the complex political and territorial issues that led to its outbreak. But when serious political discussions finally began, we rejected any proposals that would have permanently divided Bosnia. This was the position of President Clinton, Vice President Gore, and Secretary of State Christopher, and one of its strongest supporters within the administration was Madeleine Albright, who, as ambassador to the United Nations, was a valuable ally at many critical moments in the negotiations.

I believe most people in Bosnia would like to see the country function as a single economic and social unit, within a framework that provides for local self-government. Furthermore, Bosnia and its neighbor, Serbia, cannot survive economically unless they revitalize the long-established, integrated commercial and infrastructure systems that existed until the outbreak of war. The economy of Bosnia and Serbia cannot be disaggregated along ethnic lines. (Croatia, because of its coast and location, has more options, but it also needs to be part of a regional economic structure.)

In implementing Dayton, the NATO-led Implementation Force (IFOR, which has now been replaced by a smaller, but still potent, force called S-FOR) has played a vital role. However, its reluctance to go beyond a rather narrow definition of its role and mandate has inevitably reduced the chances that the political and economic reconstruction effort in Bosnia will succeed. To be sure, what IFOR did, it did magnificently, with no casualties from hostile action, an astonishing record that attests to the respect in which NATO is held by all parties and the skill with which the NATO/IFOR commanders carried out their military mission. But despite its enormous capabilities and an "excess capacity," IFOR avoided most opportunities to support the civilian parts of the agreements, even when the risk was minimal. Such activities, they often said, went beyond not only their obligations, but their responsibilities. The most significant exception to this attitude was IFOR's impressive nationwide support of the September 14, 1996, national elections, which was important in the conduct of those elections. For this IFOR deserves high praise. On the other hand, its continuing refusal to even consider, let alone attempt, the arrest of Radovan Karadžić or any other indicted war criminal has been unfortunate and has given strength to the separatist cause.

A *single* Bosnia, with two entities, was the essential core of the Dayton agreements. The interentity boundary line was designed to be similar to, say, a boundary between two American states or Canadian provinces, or, for that matter, two of the republics of the former Yugoslavia, but everyone knew the Serbs would not voluntarily accept such a concept. As expected, they are trying to turn the interentity boundary line into a partition line, which they would later try to turn into complete separation. Only the

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Contact Group powers, backed by S-FOR, can counter this Bosnian Serb effort. Such seemingly minor issues as creating a single license plate for the whole country or drafting the oath of office for members of the central government and the national assembly are, in reality, tests by the Bosnian Serbs or the Croats of the outside powers' resolve on the central issue: partition versus integration.

To those who argue that preventing partition is either hopeless or unimportant to the United States, or both, I would respectfully disagree. As Kumar points out, the long-term costs are higher if we take the path of least resistance in the short term. While America's vital national interests are not directly at stake in every detail of Bosnia's political structure, it would be a significant setback to our overall position in Europe and within NATO if, after all that we have accomplished in Bosnia, our successes thus far were undone by a failure to finish the job. Partition, whether followed by dismemberment of Bosnia or not, could reopen other fragile international boundary issues in southeastern Europe and the former Soviet Union, unraveling the current peace in the region.

The American policy goal, simply defined, should remain to prevent partition and implement Dayton. Whatever policies are designed and followed, they should advance that strategic goal. With S-FOR scheduled to leave in less than eighteen months, 1997 will be the decisive year in determining whether American policy succeeds and whether Bosnia survives as a united multiethnic country.

RICHARD HOLBROOKE
Former Assistant Secretary of State

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Recent Books on International Relations

Political and Legal

FRANCIS FUKUYAMA

For Love of Country: Debating the Limits of Patriotism. BY MARTHA C. NUSSBAUM ET AL. Boston: Beacon Press, 1996, 154 pp. $15.00 (paper).

This volume contains an essay by Nussbaum published originally in the *Boston Review*, along with 16 replies and a final word by the author. Nussbaum, a classics scholar, rejects calls by scholars Richard Rorty and Sheldon Hackney for a greater sense of shared American values, arguing instead for a commitment to overarching human values and a cosmopolitan identity as world citizens, which will be an antidote to ethnocentrism on matters like family values and will make Americans more aware of global problems like environmental pollution. There are substantial normative and practical problems with this point of view, as responses by Benjamin Barber, Nathan Glazer, Gertrude Himmelfarb, and others point out. Nussbaum's classification of national identity as just one of a whole series of smaller and larger identities misses the fact that nations continue to be the primary political embodiments of differing principles of justice. One cannot be concerned with "rights" as a universal value, whether of women, ethnic minorities, or individuals, without being aware that some regimes support while others systematically deny rights. And cosmopolitanism has no emotional appeal to anyone except a small group of intellectuals like the author herself, and perhaps a stratum of CEOs of multinationals for whom she presumably has little sympathy.

Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe. BY JUAN J. LINZ AND ALFRED STEPAN. Baltimore: Johns Hopkins University Press, 1996, 479 pp. $55.00 (paper, $18.95).

This magisterial book represents the culmination of the authors' lifelong efforts

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to understand democratic breakdown, transition, and consolidation. After the fall of the Berlin Wall, the authors, who had previously concentrated on democracy in Latin America and southern and Western Europe, began to look seriously at Eastern Europe and the former Soviet Union to see if they could be fitted into any of their analytical categories. The answer is that they can, albeit with some difficulty. The five "arenas" the authors say are necessary for the consolidation of democracy—civil society, political society, rule of law, state bureaucracy, and economic society—and their broader analytical categories such as "post-totalitarian" are likely to become the standard framework, and their work on the former communist world marks the beginning of the return of Sovietology to mainstream comparative politics.

National Character: A Psycho-Social Perspective. BY ALEX INKELES. New Brunswick: Transaction Publishers, 1997, 392 pp. $49.95.

All those who have dealt with societies other than their own are aware that something like national character, a modal personality, links individuals and serves as a context for and constraint on political institutions. Since the 1950s, however, national character has been denigrated in the social sciences due to a lack of clear measurement tools and a history spotted with crude cultural and racial stereotyping. Drawing on the author's earlier work on character development in the Soviet Union and other countries, this book seeks to restore national character to respectability by placing it on a firm methodological footing. It uses psychological and survey data to define German, Soviet, and American national character and relates national character to the development of political institutions like democratic government. Inkeles concludes that there is in fact an empirical basis for saying Germans respect authority and Americans trust one another readily. While the introductory chapter will be rough going for nonspecialists, the book is a healthy sign that the social sciences are moving beyond their parochial disciplinary boundaries and grappling with important, commonsense issues.

Fins de Siècle: How Centuries End, 1400-2000. EDITED BY ASA BRIGGS AND DANIEL SNOWMAN. New Haven: Yale University Press, 1997, 248 pp. $35.00.

What started as a trickle of end-of-the-millennium books is now turning into a river, and this reviewer is not sure he wants to remain in the business when the torrent arrives in three years. The current volume, which began as a BBC radio series, enlists several eminent historians to talk about political, economic, and social conditions in England during the last decade of every century since the fifteenth. This richly illustrated volume is least interesting in its discussions of the political fortunes of the various English kings who happened to be in power at the end of their centuries. More compelling are the sharp social transitions that occur from one century to the next, and the growth of historical consciousness: the very sense of historicity that provokes books like this is itself the product of a very modern self-consciousness. This is one of the more interesting treatments of an essentially silly subject.

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Modernity and the State: East, West. BY CLAUS OFFE. Cambridge: MIT Press, 1996, 270 pp. $36.00 (paper, $18.00).

This book by a leading German political theorist is a fascinating landmark denoting the movement of the left in recent years, and the dead end at which it has arrived. Offe is fully aware that the modern, rational, regulatory welfare state that has developed in Europe over the past few decades is in big trouble, and he catalogs many of the reasons why the state has increasingly been unable to achieve the goals it sets for itself. On the other hand, he is extremely uncomfortable with the alternative neoliberal orthodoxy of deregulation and unfettered market competition in a globalized economy. But if the state is an ineffective instrument, where does that leave the left in its quest for equity and social justice? No clear answer emerges from this book. Though his writing is dense and at times full of academic jargon, the book represents an interesting effort to think through the beginnings of a coherent post-socialist position.

Managing Global Chaos: Sources of and Responses to International Conflict. EDITED BY CHESTER A. CROCKER AND FEN OSLER HAMPSON. Washington: U.S. Institute of Peace Press, 1996, 642 pp. $55.00 (paper, $29.95).

This massive tome represents the collective wisdom of a high-powered group of foreign policy practitioners and scholars, most of whom have been associated with the U.S. Institute of Peace over the past few years. Like other books of this type, it is very difficult to summarize; the richest chapters are probably those discussing the prospects and pitfalls of intervention in regional conflicts and humanitarian relief operations. The chapters by Crocker and Richard Betts serve as good counterpoints, the former arguing for an activist policy of preventive engagement and the latter cautioning about the illusion of "depoliticized" intervention. Henry Kissinger's chapter on the "New World Order" is misnamed: the new order is the same old one of power and politics that Kissinger has spent his life analyzing, only with the great-power deck reshuffled. The quality of the essays is uniformly high, and the edition should be useful in university courses surveying the contemporary international scene.

Mapping the Nation. EDITED BY GOPAL BALAKRISHNAN. New York: Verso, 1996, 329 pp. $65.00 (paper, $20.00).

Becoming National: A Reader. EDITED BY GEOFF ELEY AND RONALD GRIGOR SUNY. New York: Oxford University Press, 1996, 518 pp. $39.95 (paper, $17.95).

Although the essays in these two British collections overlap considerably, the Balakrishnan volume manages more successfully to stay on the subject. The latter begins promisingly, if a little tendentiously, as an effort to expose the socially constructed nature of nationalism. It quickly descends, however, into the swamp of contemporary cultural studies. In this world, certain kinds of "imagined communities" have much greater legitimacy than others, especially when they revolve around racial, class, gender, or sexual identities rather than traditional national ones. The Balakrishnan edition contains essays by Benedict Anderson, Otto Bauer,

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Ernest Gellner, Jürgen Habermas, and Eric Hobsbawm that are representative of serious left-of-center thinking on the subject of nationalism, and is of greater use as a general introduction to the topic.

Rediscoveries and Reformulations: Humanistic Methodologies for International Studies. BY HAYWARD R. ALKER. New York: Cambridge University Press, 1996, 464 pp. $69.95 (paper, $24.95).

This collection of previously published essays attempts to bridge the gap between the utterly disparate worlds the author has straddled over the past few decades—mathematically based positivist social science and humanistic studies with a strong post-modern flavor. Alker's discussions of Aristotle and the "Jesus narrative," while interesting in themselves, will be of limited use to most foreign affairs specialists, and his attempt to make textual narratives "testable" is dubious. The book is worth it, however, for the essay critiquing realist theories that assume the existence of international anarchy and see game theory as the only approach to understanding international cooperation.

Economic, Social, and Environmental

RICHARD N. COOPER

Globalizing Capital: A History of the International Monetary System. BY BARRY EICHENGREEN. Princeton: Princeton University Press, 1996, 232 pp. $24.95.

The outgrowth of a series of lectures in Belgium, this book by a prominent economic historian is a succinct and well-written history of the international monetary system—the general framework in which financial transactions among residents of different countries take place—and its evolution. It provides an authoritative if brief account of the pre-1914 gold standard as it functioned in the international arena; the interwar gold exchange standard that collapsed so disastrously in 1931-33; the post-1945 system agreed on at Bretton Woods, explicitly designed to avoid the weaknesses of the two preceding regimes, which had grown without overall design from a series of practices and conventions; and the period since 1973 of floating exchange rates among major currencies, along with various partially successful European efforts through 1992 to provide a zone of stability among European currencies. This last discussion, in particular, provides useful historical background for understanding current European efforts to create a monetary union, a major preoccupation in Europe before union's scheduled inauguration in January 1999.

Climate Change 1995: Economic and Social Dimensions of Climate Change. EDITED BY JAMES P. BRUCE ET AL. New York: Cambridge University Press, 1996, 448 pp. $74.95 (paper, $30.95).

This book represents a unique effort by contributors from 29 countries under the auspices of the Intergovernmental Panel on Climate Change to pull together all that is now known about the likely social and economic impact of climate change over the next century or so. It offers a summary of extensive (if still inconclusive and controversial) research on the social impact as well as the costs of steps

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to mitigate global climate change by reductions of carbon dioxide—for example, through reforestation.

It also offers a primer on policy analysis, showing how to approach intellectually a topic as complex and far-reaching as climate change and its impact on human settlement over a long period of time with much critical information still unknown or only imperfectly known. It stands as a relatively compact statement on the current state of policy analysis, and how to apply it in this particular area of public decision-making.

The Laundrymen: Inside Money Laundering, the World's Third-Largest Business. BY JEFFREY ROBINSON. New York: Arcade Publishing, 1996, 358 pp. $25.95.

Most crime is undertaken not for its own sake but to enrich the criminals. Hence much crime has its counterpart in the handling of funds, often embarrassingly large amounts of money, which must somehow be legitimized. Money laundering takes funds of illegal origin, mainly from the sale of drugs, and runs them through a series of transactions that at a minimum obscure their true origin and at best make them appear to derive from legitimate business activities. But not all money laundering has to do with crime. National intelligence services or even state officials may wish to conceal activities that may be politically embarrassing or questionable even if legal. This book reports on a large number of episodes of money laundering, drawing from court records, journalistic accounts, and private interviews. But the whole never really exceeds the sum of its parts, which are mainly incomplete war stories spiced with innuendo—that is, suggestions of possible connections to other events that are not pursued, some of which leave the discerning reader incredulous.

Cryptography's Role in Securing the Information Society. EDITED BY KENNETH W. DAM AND HERBERT S. LIN. Washington: National Academy Press, 1996, 688 pp. $44.95.

In late 1993 Congress directed the National Academy of Sciences to produce an up-to-date assessment of cryptographic technologies and national cryptographic policy. A 16-member committee has done prodigious work in pulling together a compendium airing all aspects of public policy toward cryptography, normally an arcane subject for mathematicians or military signals specialists. The committee argues for much more general availability and much greater use of cryptography in a world where information holds the key to commercial as well as military and diplomatic success. The resulting report, like most committee reports, makes for dry reading, but it contains a wealth of information, accessible to the general reader, on the current state of cryptography and on the controversies surrounding public policy on its use, export, and availability to law enforcement officials.

Through Green-Colored Glasses: Environmentalism Reconsidered. BY WILFRED BECKERMAN. Washington: Cato Institute, 1996, 230 pp. $21.95.

Wilfred Beckerman, an economics don at Oxford, has been accused of being a

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mordant enemy of the environment, and worse. In fact he is not against the environment; he is just unmercifully opposed to bad arguments for protecting the environment. This book is a trenchant dissection of many such arguments. But it is not merely a critique; it explores the circumstances under which businesses and households will undervalue environmental amenities in their behavior and the sort of actions that might be taken to correct these errors.

The book discusses, substantively, resource exhaustion, biodiversity, and global climate change, among other issues; and conceptually, sustainable development, the relationship between total welfare and economic welfare as approximated (imperfectly) by GNP, and why we should discount the future even though we love our grandchildren and their prospective grandchildren. It has the great merit of being elegantly written, with humor and historical perspective, even while taking on complex issues with careful reasoning.

American Trade Laws after the Uruguay Round. BY GREG MASTEL. Armonk: M. E. Sharpe, 1996, 207 pp. $58.95 (paper, $23.95).

The foremost weapons in the arsenal of U.S. remedies against objectionable foreign trade practices are the countervailing duty law, the antidumping law, and the (in)famous Section 301, which permits and in some cases requires the United States unilaterally to impose restrictions on imports from countries whose trade practices the United States finds discriminatory, unjustifiable, or unreasonable. Formerly a Senate staffer and now with the Economic Strategy Institute, Mastel mounts a spirited defense of these weapons, arguing that they have been necessary for preserving free trade and successful in persuading other countries to reduce barriers to imports and illegal promotion of exports.

This is not a balanced account. Many foreigners note with some bitterness that under Section 301 the U.S. government is prosecutor, judge, and jury all in one; that antidumping actions in practice have strayed far from the limited theoretical rationale for them; and that under the American legal system even the threat of a case can limit imports, a fact that many U.S. firms (or their legal advisors) have noted. All that adds up to something far from the fair trade that Americans supposedly espouse. But Mastel's book is well informed and well argued, with much useful material on the legislative background and on particular cases for those interested in these admittedly technical but important aspects of U.S. trade policy.

Military, Scientific, and Technological

ELIOT A. COHEN

China's Arms Acquisitions from Abroad: A Quest for 'Superb and Secret Weapons.' BY BATES GILL AND TAEHO KIM. New York: Oxford University Press, 1996, 159 pp. $23.00.

This monograph combines statistical data and concise analysis to paint a generally complacent picture of Chinese military modernization. In spite of longstanding efforts to acquire advanced military technology abroad, the Chinese have only recently begun to have substantial successes,

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according to the authors, who see a variety of economic, institutional, and ideological forces hampering the development of Chinese military power. In making these judgments, they assume that past performance is a reasonable measure of future prospects. Those who are more impressed by the spectacular rate of change in China, regarding it as an indicator of future military potential, may be less sanguine, but should study this volume carefully nonetheless.

The Invention That Changed the World: How a Small Group of Radar Pioneers Won the Second World War and Launched a Technological Revolution. BY ROBERT BUDERI. New York: Simon & Schuster, 1996, 575 pp. $30.00.

This engaging technological history, from the pen of a former technology editor of *Business Week,* discusses the invention of radar during World War II. It is a sprawling, perhaps overly American-centered account that carries the work of the key scientists involved into the early 1960s. The title is only a slight exaggeration: without ever more sophisticated radar (and, no less important, the organizations to make the rapidly changing technology effective) Britain might not have beat back the twin threats of Nazi air and submarine attack, and the United States would surely have paid a far higher price in both the European and Pacific theaters.

Clausewitzian Friction and Future War. BY BARRY D. WATTS. Washington: Institute for National Security Studies, 133 pp. $6.50 (paper).

Drawing on an unusual combination of talents—formal academic training in philosophy and a distinguished combat record as a Vietnam-era pilot—the author plunges into an analysis of friction, or the tendency for things to go wrong in battle. In the opinion of Clausewitz, friction is one of the most important features of war, and the author agrees. Drawing on recent military history as well as philosophy and physiology, he makes a case that friction will continue to dominate war, no matter how brilliant the munitions or how extensive the net of sensors that guide them. Not light reading, but worth the effort.

Why Things Bite Back: Technology and the Revenge of Unintended Consequences. BY EDWARD TENNER. New York: Alfred A. Knopf, 1996, 346 pp. $26.00.

Not quite a Luddite tract, but certainly a darkly whimsical account of how technological progress has a way of turning nasty. The theme has been ably handled in Charlie Chaplin's *Modern Times* and numerous episodes of *The Twilight Zone,* not to mention some brilliant science fiction stories by Arthur C. Clarke. But the author, former science editor at Princeton University Press, brings to bear a wealth of detail on everything from the vast increase in paper consumed in offices since the advent of computers to the rise of antibiotic-resistant infections. There are lessons here for development in poorer countries, and on the perils of some advanced military technology, but the reader will have to extrapolate them for himself or herself.

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British Fighting Methods in the Great War. EDITED BY PADDY GRIFFITH. Portland: Frank Cass, 1996, 191 pp. $42.00.

Despite the writings of a few defiant historians outside the mainstream, the popular image of the British Army in World War I is one of soldiers exhibiting great valor sacrificed to the near-criminal stupidity of their high command—"lions led by donkeys," in a memorable phrase. The current work makes an important contribution to a different view. The editor is a prolific and provocative historian of tactics, a subject disdained by too many students of strategic affairs, and he has assembled a group of thoughtful colleagues to explore the ways in which the British army adapted to the challenges of trench warfare. The reader comes away with two unsettling questions. If the British (and presumably other) European armies changed their approaches to war as quickly and well as is suggested, was the slaughter of World War I simply unavoidable? And if historians are only now unraveling the workings of battle in 1914-18, how certain can today's experts be that they fully understand the workings of modern warfare?

Venona: Soviet Espionage and the American Response, 1939-1957. EDITED BY OBERT LOUIS BENSON AND MICHAEL WARNER. Washington: National Security Agency and Central Intelligence Agency, 1996, 450 pp.

Last year the National Security Agency, the chief American signal intelligence organization, released hundreds of decryptions of intercepted "Venona" traffic—Soviet communications between Moscow and secret agents operating in the United States during World War II. Their content not deciphered until after the war, these intercepts paved the way for the most dramatic breaks into Soviet espionage in the United States, including the Harry Dexter White, Alger Hiss, and Julius Rosenberg cases. Historians at the NSA and CIA have assembled some hundred documents, two-thirds of them decryptions, introduced by a balanced and informative historical essay. The result is a fascinating glimpse of compromised intelligence operations that helped shape the early phase of the Cold War.

Societies and Military Power: India and Its Armies. BY STEPHEN PETER ROSEN. Ithaca: Cornell University Press, 1996, 280 pp. $39.95.

A subtle and sophisticated work of political science, this book uses the case of India to develop and press a larger argument about the relationship between social order and military power. The author explores this relationship in ancient, medieval, and modern times, focusing on India but drawing telling comparisons to other polities and societies. The central theme is the difficulties divided societies have in generating military power and the various remedies they attempt. In his conclusion, the author suggests that the Indian pattern—serious social conflict that presents large and enduring obstacles to the development of conventional military power—has implications for the power relationships between the United States and much of the rest of the world. The result is a well-crafted, solidly supported, and fluently argued theoretical proposition that has substantial policy implications.

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A Military History of Ireland. EDITED BY THOMAS BARTLETT AND KEITH JEFFREY. New York: Cambridge University Press, 1996, 565 pp. $49.95.

This large, handsomely produced volume ranges from the Middle Ages to the present day, probing the experience of a small country that has witnessed chronic warfare at home and sent its sons in large numbers to wage it elsewhere. The editors begin by posing the question of whether there is a distinctive Irish military tradition. To this, many writers have replied in the affirmative, including some who even explain the Confederacy's defeat in the American Civil War as a result of the predominance of Celtic military culture—impetuous, heedless of loss, and violently aggressive—in the Southern states. The contributors to this book are not so certain. They examine much of Ireland's remarkable military history, including Irishmen and units serving in foreign armies, although by design they pay less attention to Irish guerrillas, or what they term "the paramilitary tradition." They fully explore the tragic irony of Irish military history, which has witnessed Irish soldiers fighting valiantly on opposite sides of many causes, not least their nation's own. This is, in short, a comprehensive and engrossing study, of interest not only to students of the history of Britain's former empire, but of military culture in general.

Strategic Assessment 1996: Instruments of U.S. Power. BY THE NATIONAL DEFENSE UNIVERSITY AND INSTITUTE FOR NATIONAL STRATEGIC STUDIES. Washington: National Defense University Press, 1996, 224 pp. $20.00 (paper).

Not exactly a sequel to its predecessor of 1995, this work reflects the contributions of a number of analysts at the Institute for National Strategic Studies at NDU. They examine the tools of American power, divided into nonmilitary, political-military, and war-fighting instruments. The quality of the analysis is good, but made considerably better by well-designed and useful tables, maps, graphics, and inserts. Without deprecating the text, one would find it worthwhile to browse through the volume for these insertions alone.

The United States

DAVID C. HENDRICKSON

The American Century: The Rise and Decline of the United States as a World Power. BY DONALD W. WHITE. New Haven: Yale University Press, 1996, 551 pp. $35.00.

The product of 20 years' labor, this work contains a wealth of fascinating material charting the manifold ways in which Americans have understood the rise, fall, and occasional renovation of American power. The author, who teaches history at New York University, investigates a wide range of sources in unfolding his subject, and he is alive to discoveries that challenge preconceived notions: thus we find Theodore Roosevelt, in 1910, ridiculing the importance he had placed on race as a half-baked

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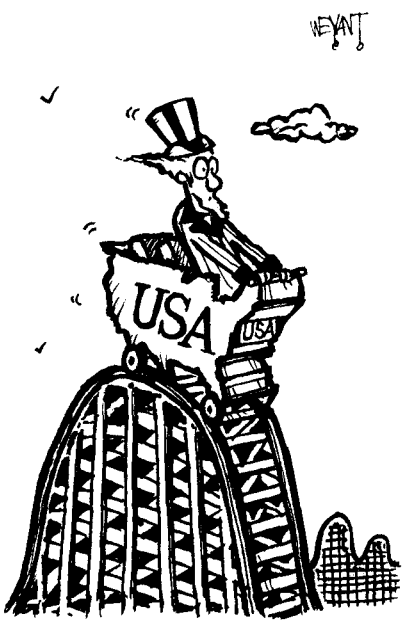
and comic extravagance of his youth, and Charles Beard disparaging the importance of the material factor in history. But the work, conceived as a study of "myth," is not without its weaknesses. The larger tensions White erects to make sense of his subject—the contrast, for instance, between realism and idealism, or between "The American Century" (Henry Luce) and "The Century of the Common Man" (Henry Wallace)—do not by any means cover the ground, or are themselves shot through with ambiguity. The result is a disjunction between mass and meaning, or trees and forest, that the author does not surmount. Anyone interested in the problem of rise and decline or that of changing American conceptions of their role in the world will find many rewards in this book, but the end result is more a restatement of the problem than an explanation of the phenomenon.



Imbalance of Powers: Constitutional Interpretation and the Making of American Foreign Policy. BY GORDON SILVERSTEIN. New York: Oxford University Press, 1997, 276 pp. $49.95.

Silverstein's well-crafted book convincingly argues that the entrenchment of the executive-prerogative interpretation of the Constitution since World War II can be squared with neither the original intent of the framers nor the normal practice and characteristic interpretation that prevailed until the Cold War. There is nothing unusual in that view; where the author breaks new ground is in his skillful blend of constitutional and political analysis. Silverstein persuasively questions the Supreme Court doctrine (particularly its denial of legislative vetoes) that allows Congress to delegate broadly to the president while preventing it from reserving checks on executive discretion. He is unpersuasive, however, in thinking that presidents have an interest in abandoning executive prerogative, which allows them to share power and responsibility when convenient and to refuse to do so when not convenient. Exaggerated, too, is his fear that prerogatives claimed in foreign policy will inevitably spill over into domestic policy, for the congressional default that has contributed substantially to executive powers in the one realm has not been manifested to anywhere near the same degree in the other.

The Wilsonian Impulse: U.S. Foreign Policy, the Alliance, and German Unification. BY MARY N. HAMPTON. Westport: Praeger, 1996, 180 pp. $55.00.

A political scientist at the University of Utah argues that the United States

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sought to create, in the aftermath of World War II, a security community with European allies based on norms and values that went beyond the negative purpose of containing the Soviet Union and that was based not simply on the Munich analogy but on the need to integrate West Germany into an order embodying constitutional principles. The author perceptively develops that view, but runs into trouble because of the way that she—following eminent authorities—has framed the larger argument. No contemporary study would be complete without a mean straw man called "realism" to set aflame, nor without a cardboard image of Woodrow Wilson to which postwar policymakers paid putative obeisance. That Wilson's version of internationalism was universalistic and hostile both to limited security communities and to give-and-take among allies does not trouble these writers; that architects of the postwar system like Dean Acheson denounced Wilson and considered his influence mischievous is also of no import. The larger argument in which this book figures has got to get beyond these primitive simplifications if it is to make any progress.

The World the Cold War Made: Order, Chaos, and the Return of History. BY JAMES E. CRONIN. New York: Routledge, 1996, 332 pp. $65.00 (paper, $18.95).

This book takes the Cold War era as a whole, exploring the origins of the post–World War II settlement—its achievements, failures, and crises—and its eventual collapse in the late 1980s. The author, a professor of history at Boston College, has a focus that is unusual and refreshing. Although he does not ignore high politics, his emphasis is on the way the structure of international rivalry affected the political and economic choices made in, and sometimes imposed on, the states that were caught up in it. His exploration of the forces at work in these states—the political and economic bargains that were made but then broke down, the ideological discourses that justified power but then stumbled on their own contradictions—is first-rate. This focus, in turn, enables him to throw a powerful light on the character of the contemporary world, and in particular on the emergence of a new global economy utterly different from that which had arisen in the 1950s and 1960s. His larger conclusion is that democracy is triumphant but less meaningful, the collapse of communist and authoritarian regimes at once expanding popular participation while sharply constricting, via the imperatives of the global market, the range of effective choice. An altogether satisfying and judicious work that brilliantly illuminates both past and present.

Deciding to Intervene: The Reagan Doctrine and American Foreign Policy. BY JAMES M. SCOTT. Durham: Duke University Press, 1996, 333 pp. $49.95 (paper, $18.95).

This study by a political scientist at Illinois State University does two different things very well. It gives a fair and accurate account of the origins, development,

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and consequences of the Reagan Doctrine, paying detailed attention to the varying ways in which that policy played out in Afghanistan, Cambodia, Angola, Nicaragua, and Mozambique. And it provides an excellent case study of the strange workings of the American system of government, in which disparate actors struggle to define, control, and implement policy, the sum of which reflects shifting coalitions in various states of equipoise but usually corresponds with the precise intention of nobody. One admires the adeptness with which the author blends these two interpretive purposes, an enterprise carried off far more coherently than was the subject of his inquiry. It would not occur to anyone today to describe this system of policymaking "as the most wonderful work ever struck off at a given time by the brain and purpose of man," as Gladstone once described the American Constitution, but one might well say, after reading this account: "Two cheers for checks and balances."

Eagle Adrift: American Foreign Policy at the End of the Century. EDITED BY ROBERT J. LIEBER. New York: Longman, 1997, 335 pp. $27.00 (paper).

The New Shape of World Affairs: Contending Paradigms in International Relations. New York: Foreign Affairs, 1997, 296 pp. $14.95 (paper).

American Foreign Policy: Theoretical Essays, 2nd edition. EDITED BY G. JOHN IKENBERRY. New York: HarperCollins, 1996, 682 pp. $37.00 (paper).

Major Problems in American Foreign Relations: Documents and Essays, 4th edition, 2 vols. EDITED BY THOMAS G. PATERSON AND DENNIS MERRILL. Lexington: D.C. Heath, 1995, 1,331 pp. $53.52 (paper).

Edited collections with numerous contributors are to be approached warily, for it is impossible to describe them, much less say anything intelligent about them, in brief compass. Yet readers—and professors—looking for manageable overviews to complicated subjects cannot do without them. Suffice it, therefore, to note that each of the volumes listed above, all newly revised and expertly edited, are fine introductions to different aspects of the recent scholarship on U.S. foreign policy. To Lieber one might turn for an up-to-date and comprehensive tour of the background to contemporary policy; to Ikenberry for the work of political scientists with powerful theoretical visions and a penchant for systematic explanation; to Paterson and Merrill for some of the most interesting recent work in American diplomatic history (although the latest edition unfortunately skimps on documents and unwisely omits the chapter on the diplomacy of the American Civil War). This reviewer's work is included in the last-mentioned text; having already advanced into one conflict of interest, he is determined to fly headlong into another, and make a right out of two wrongs, by saying that the new collection from *Foreign Affairs* represents a great improvement over previous editions, with well-known essays by Francis Fukuyama, John Mearsheimer, and Edward Luttwak from other journals nicely rounding out debates that have largely unfolded in these pages. Put together with the idea of cornering the college market—and thereby attempting, absurdly, to entice those freshpeople

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away from the true objects of their enticement—all these volumes are nevertheless of great value for both the general reader and the serious scholar.

Western Europe

STANLEY HOFFMANN

Plotting Hitler's Death: The Story of the German Resistance. BY JOACHIM FEST. New York: Metropolitan Books, 1996, 400 pp. $30.00.

This book is not "the story of the German resistance," but of the efforts of military men, of the conservative circle around Carl Goerdeler, the former mayor of Leipzig, and of the Kreisau Circle, led by Count Helmuth von Moltke, to overthrow and, if necessary, assassinate Hitler. It is beautifully told, and it is pathetic. Those who opposed Hitler, and prepared a coup to prevent the invasion of Czechoslovakia, failed to a large extent because the British refused to support them: the German resisters wanted Britain to assert its support of Czechoslovakia's integrity, but the British chose appeasement. Later, the resisters were caught in a dilemma: "Victories, they felt, made [Hitler] popular with the people and therefore unassailable, while defeats laid them . . . open to accusations of aiding and abetting the downfall of their own country." Thus, this is a story of failed plots. The biggest and most extensive, in July 1944, failed mainly for accidental reasons—Count Stauffenberg used only one of the two bombs at his disposal, and the plot led to the annihilation of most of the resisters.

From 1938 to 1940, the military opposition feared the consequences for Germany of Hitler's recklessness. In 1943-44, they were also repelled by Hitler's crimes, including those against Jews. Many had, at first, served the regime; they ended as heroes. They received no more support from the British in 1943-44 than in 1938: by then, the Allies wanted unconditional surrender and were put off by the resisters' disorganization and insistence on preserving some of Hitler's conquests. The essence of the problem, however, was the resistance's own weakness. The bulk of the army remained loyal to the "legal" authority of Hitler, and the resisters were deeply divided—between those, like Moltke, who wanted to shun violence, and those who deemed it necessary, or over plans for Germany's future. It was largely an upper-class movement that never reached the general population, unlike the resistance movements in occupied countries. Fest's compassion for these doomed men is moving. He shows that there was widespread opposition in important parts of German society and points out its limits. A large question remains: how much organized resistance is possible in a country ruled by a totalitarian regime that controls the levers of terror and propaganda and enjoys the support of the bulk of the population?

Britain and European Union: Dialogue of the Deaf. BY LORD BELOFF. New York: St. Martin's Press, 1996, 172 pp. $59.95.

This latest book by the historian and Conservative peer Lord Beloff is a famil-

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iar diatribe. The European Union is a federalist undertaking that would reduce Britain's position to that of a Land in the Federal Republic, deprive Parliament of its powers, submit the judiciary to the dictates of the European Court, and transfer sovereignty to European agencies. But does the Thatcherite vision of a Europe of nation-states with no other joint mission than deregulation ensure an adequate role in world affairs for Britain? Would it not destroy much of what has been accomplished by European integration since 1950? There are many nonfederalist elements in the EU machinery, and the prospects for "federalism" are at best limited to certain aspects of the European Monetary Union. On British-French relations, Lord Beloff fails to see that one of the main obstacles to greater cooperation after 1945 was Britain's desire to be the special partner of Washington and treated as a greater power than France. Nor did Mitterrand, after 1989, revert to Pierre Laval's acceptance of "German preeminence in Europe as inevitable," making "the best of it by becoming Germany's most loyal partner." Mitterrand's fleeting Vichyism never went that far. Beloff is describing Britain's policy toward the United States.

France under the Germans: Collaboration and Compromise. BY PHILIPPE BURRIN. New York: New Press, 1997, 526 pp. $27.50.

Burrin, a distinguished Swiss historian of fascism and of Vichy France, leaves the Resistance out of this wry and often biting but always objective volume. For some, accommodation was highly self-interested. Many bankers and industrialists saw profits in joint Franco-German schemes (dominated by the Germans) and immediate gains in working for the German war effort. Famous entertainers wanted their work (like Klaus Mann's *Mephisto*) to remain on the screen or on the stage. For others, such as Marc Bloch's friend Lucien Febvre, who accepted censorship so that *Les Annales* could continue to be published, accomodation was a way of not giving up, of not leaving the field to pro-Nazi publications. Burrin—having excluded the heroes—gives us a gallery of rogues, brutes, easily flattered egos, short-sighted calculators, cowards, and ordinary people doing their best to survive while hoping for liberation. No book does a better job of demolishing—implicitly—both the myth of national bravery and the countermyth of collective villainy. Pettiness, stupidity, and various forms of stoicism and daily courage prevailed. The "notables" and intellectuals were certainly not better and sometimes worse than the other French men and women observed here.

The German Question and Other German Questions. BY DAVID SCHOENBAUM AND ELIZABETH POND. New York: St. Martin's Press, 1996, 250 pp. $39.95.

Schoenbaum, a well-known social historian, and Pond, the *Christian Science Monitor*'s expert on Germany, have painted a basically realistic and reassuring picture. Yes, national interests are back, but today's Germany sees itself as a European player and a firm NATO supporter. With no dreams of grandeur or thoughts of expansion, it is more "European"—especially insofar as the institutions of the European Union are concerned—than Britain or France, and

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endowed with stable and democratic institutions. The authors recommend that Germany recognize that it is a destination for immigrants, that it regain "a work ethic," and that "dynamism . . . replace entropy." Above all, and rightly, they celebrate its "new normality." Given Germany's past, which they summarize in the first chapters, this orientation is quite an achievement.

Chirac's Challenge: Liberalization, Europeanization, and Malaise in France. EDITED BY JOHN T. S. KELLER AND MARTIN A. SCHAIN. New York: St. Martin's Press, 1996, 406 pp. $45.00.

This volume provides a thorough background to, and a partial explanation for, the French "malaise," whose symptoms are a disenchantment with the "moderate" parties of left and right, the rise of Le Pen's National Front, and lack of trust in the government. There are many causes for this malaise: political corruption, unshakable unemployment, promises of reform followed by little action or by measures contrary to the promises, the sense that European integration dismantles the old Jacobin state that was France's soul and spine, hostility to Arabic and Black African immigrants, etc. The deepest reasons are, probably, the contradiction between the deregulation and competition imposed by European integration and the desire for a degree of protection induced by economic stagnation and unemployment; the contradiction between the awareness of the need for changes—in social security, education, state-business relations, local government, etc.—and the passionate resistance of groups such changes would shake up and deprive of their "acquired rights"; and the sense that in the last ten years or so, in that old monarchical republic, the monarchs have been weak and incapable of setting and explaining a course to a population hungry for pedagogic leadership.

A French Tragedy: Scenes of Civil War, Summer 1944. BY TZVETAN TODOROV. Hanover: University Press of New England, 1996, 138 pp. $19.95.

In a small town in central France, St. Amant Montrond, in the summer of 1944 just before and after the Allied landing in Normandy, an insurrection prematurely launched by the Resistance resulted in violent retaliation by the Vichy Militia, in hostages being taken and shot on both sides, and in a horrible massacre of 70 Jews by the Militia and the Gestapo. Todorov points out that the story had all the elements of Greek tragedy, and that "the interdependence of episodes is not only narrative; it extends as well to the moral value of the actions." The great merits of this short book are, first, Todorov's exemplary clarity and attention to the detail of events and the complexities of character; second, the graphic account of the civil war that ravaged France in the spring and summer of 1944, which historians have tended to underplay; third, his ethics of responsibility, a focus not just on the rightness but on the effects of actions, and his recognition that, next to the heroes, there are other admirable figures, ordinary men and women

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moved by "a morality of risk . . . devoid both of the sacred and of violence." It is too bad that the English translation leaves out the remarkable diary kept by the small town's mayor, which the French version included.

The Making of Portuguese Democracy. BY KENNETH MAXWELL. New York: Cambridge University Press, 1995, 250 pp. $49.95 (paper, $19.95).

Maxwell provides a fascinating account, succinct yet comprehensive, of the turmoil that followed the April 1974 coup that overthrew what was left of the authoritarian regime built by António Salazar. The coup itself, and the military revolutionaries, were inspired to a very large extent by the revulsion the latter felt against the colonial wars Portugal had been fighting in Angola, Mozambique, and Portuguese Guinea. Decolonization went hand in hand with political change at home. Maxwell also pays attention to the policy of the United States. Kennedy's anti-colonialism had been replaced by Nixon's and Kissinger's support for the Portuguese dictatorship, which allowed the United States to use Portuguese bases on the Azores islands. When communists joined the government after the coup, "Kissinger's actions were reflexive and automatic." But thanks largely to Ambassador Frank Carlucci and his team, the "Chilean scenario" was not repeated here; they went around Kissinger and persuaded President Ford to support centrist parties, not the far right. Maxwell is particularly incisive in analyzing the communists' mistakes; they tried to prevail by infiltrating the decrepit institutional structures left by the dictatorship, and, by overreaching, they provoked a formidable backlash among the peasantry of the north and the middle and lower-middle classes.

Western Hemisphere

KENNETH MAXWELL

The Mexican Peso Crisis: International Perspectives. EDITED BY RIORDAN ROETT. Boulder: Lynne Rienner, 1996, 129 pp. $13.95 (paper).

Roett, director of the Latin America Program at the Nitze School, warns that during President Clinton's second term the United States will need to address "the efficacy of a strong and deeper relationship with Mexico when, in the minds of many U.S. citizens, it is the problem and not part of the solution for the economic prosperity of the U.S. in the 21st century." Rogelio Ramirez de la O places considerable blame for the scale of the peso crisis on the initial inability of the Zedillo administration to understand basic market dynamics and the impact of external perceptions of the strength or weakness of the peso. He also points out that although the stabilization and adjustment program of 1995 produced current account surpluses, it impoverished millions of Mexicans. Albert Fishlow has warm praise for the American assistance program, which he says prevented the "tequila effect," the spillover of the crisis into other Latin American emerging markets, from becoming uncontrollable. Wolf Grabendorff, director of the European Institute for European-Latin American Relations,

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sees the European Union giving integration priority over the American emphasis on "mere free trade and capital movements."

Beyond Praetorianism: The Latin American Military in Transition. EDITED BY RICHARD L. MILLETT AND MICHAEL GOLD-BLISS. Miami: North-South Center Press, University of Miami, 1996, 317 pp. $24.95 (paper).

Taking both topical and national approaches, the contributors examine the current status and future prospects of the military institutions that for so long played a dominant role in the region. Millett, an expert in the field, argues that, while technically among the most subordinated to civilian and one-party control in the hemisphere, the Cuban military is unlikely to oppose Castro openly but is nevertheless "condemned to a prolonged struggle for institutional survival." Scholar Stephen J. Wager asks where the loyalty of the Mexican military, similarly subordinated, ultimately rests: with the constitution or with the Institutional Revolutionary Party–dominated government? Looking at the region as a whole, the editors believe that the days when security matters were exclusively a military prerogative are gone forever, but they also see a period of continuing transition in which it is too early to observe any generalized patterns emerging.

Saudades Do Brasil: A Photographic Memoir. BY CLAUDE LÉVI-STRAUSS. Seattle: University of Washington Press, 1996, 224 pp. $50.00 (paper, $29.95).

Mexico's Sierra Tarahumara: A Photohistory of the People of the Edge. BY W. DIRK RAAT AND GEORGE R. JANACEK. Norman: University of Oklahoma Press, 1996, 212 pp. $49.95.

In an age when much of grassroots Latin America is obscured behind statistics and balance sheets, both these books bring the reader closer to the earth. The São Paulo of the 1930s was still a frontier town but was visibly turning into an industrial and financial metropolis. Paraná was in the process of colonization. Many of the indigenous communities the renowned anthropologist Lévi-Strauss visited and photographed between 1935 and 1939, while still isolated from coastal Brazil, were nonetheless composed of people who already represented, in Lévi-Strauss' view, "the wreckage of prior civilizations"—the last escapees from the cataclysm that discovery and subsequent conquest had wreaked on their ancestors. The wonder was that they managed to re-create viable societies; 60 years later, Lévi-Strauss is doubtful that even this is now possible.

The roughly 50,000 Tarahumara live in the mountains and canyons of Mexico's Sierra Madre Occidental. From southwestern Chihuahua, Raat, a historian at the State University of New York at Freedonia, and Janacek, a photographer, also tell a story of survival and transformation brought about by centuries of Jesuit missionaries, miners, railroad builders, and the timber industry. The images and the text are exemplary.

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Eastern Europe and Former Soviet Republics

ROBERT LEGVOLD

Memoirs. BY MIKHAIL GORBACHEV. New York: Doubleday, 1996, 750 pp. $35.00.

These are memoirs worthy of the man. In contrast to his sometimes quite empty earlier writings, here Gorbachev makes a major contribution. Already there is an immense memoir literature on the Gorbachev years, but the hole in the doughnut has been Gorbachev himself. He covers a vast terrain, addressing most of the critical turning points in the odyssey of perestroika and the evolution of the so-called "new thinking" in foreign policy, including its impact on relations with the United States, Western Europe, the socialist countries, and the Middle East. While not among that rare category of historic figures who can get outside themselves and judge their role dispassionately, Gorbachev is to a surprising degree self-critical. True, there is plenty of the "We didn't have the information," "I wasn't in town," "the Politburo did it" variety of self-exculpation, but still he admits how ideologically blinkered his vision was, how constrained his insight into likely consequences, and at key points how dangerously timid his solutions. His rancor toward Yeltsin shows up often, siphoning off blame that one would have expected him to level at other antagonists.

Memoirs of the once mighty normally do not convey what history is all about, and Gorbachev does not settle the issue of whether his reform was genetically doomed to fail or was undone by a failure of leadership, but he does afford a much richer sense of the story itself and how he calculated his crucial part in it. Beyond that, the book has many bonuses, including a stunning account of what life was like in the middle and upper levels of the party bureaucracy in the Brezhnev years.

Nationalism Reframed: Nationhood and the National Question in the New Europe. BY ROGERS BRUBAKER. New York: Cambridge University Press, 1996, 202 pp. $54.95 (paper, $16.95).

Brubaker may be the freshest voice writing on issues of nationalism, ethnicity, and national identity. He brings to the post-Soviet and East European scene not only a deep knowledge of Western Europe but great conceptual imagination. For example, rather than working from

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the vast literature devoted to nationalism in search of a state, he crafts a set of ideas exploring nationalism once it has a state. More than that, he follows the three-way interplay among the national aspirations of the dominant ethnic group (the "core nation"), the pretensions of nearby homeland states newly concerned about co-nationals next door, and the often countervailing demands of still other local ethnic minorities. He predicts that few if any of the countries in Eastern Europe or the former Soviet Union will, in fashioning their new states, render ethnicity legally and politically irrelevant or, on the other hand, institutionalize it as the basis for sharing the state among two or more groups. The best to be hoped for, Brubaker suspects, will be ethnically self-conscious states that respect the rights of minorities. His impressive intellectual scaffolding, however, does not allow him to predict which or how many of the new states will do so.

Europe from the Balkans to the Urals: The Disintegration of Yugoslavia and the Soviet Union. BY RENEO LUKIC AND ALLEN LYNCH. New York: Oxford University Press, 1996, 436 pp. $65.00.

In an ambitious, detailed comparison, the authors seek to explain, first, why the Soviet Union and Yugoslavia—and, parenthetically, Czechoslovakia—disintegrated and, second, why their disintegration led to dramatically different outcomes. To this discussion they add an elaborate evaluation of the (mostly negative) contribution of outsiders, like the United Nations, Europe, and the United States. The authors take history seriously, linking their account to a thorough discussion of twentieth-century antecedents and probing the events under study in depth. The comparison leads them to a nervous sense of Russia's vulnerability to the Yugoslav contagion, but they barely address the question of why this ugly prospect has not materialized.

The Agony of the Russian Idea. BY TIM MCDANIEL. Princeton: Princeton University Press, 1996, 201 pp. $24.95.

One might think that a book about the philosophical and socio-psychological underpinnings of Russia would be rather remote from, indeed downright irrelevant to, current U.S.-Russian relations. In fact, Russia's pained struggle to sort out its identity does not churn in the background. If anything, politicians and policymakers fuss over the question in their daily memoranda, speeches, and articles with increasing intensity. Readers seeking to understand Russia's identity crisis and how it relates to the underlying consequences of Yeltsin's efforts to change the country have in this book a succinct, elegant, historically sensitive guide. McDaniel argues, like major nineteenth-century Russian thinkers, that there is a Russian Idea, albeit not as coherent, sui generis, or unchallenged as might be expected, and that when it is battered, as it has been in recent years, the disarray that follows creates peril for Russians and the rest of the world. The trouble, although McDaniel does not dwell on the theme, is that the Russia Idea in its various incarnations always seems to incorporate either resentment of the West or a sense of exceptionalism vis-à-vis the West.

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Thus, restoring the Idea brings its own "agony." Particularly so, as McDaniel does stress, when Russia's new rulers have done little to create a healthier synthesis, uniting traditional Russian values with Western virtue.

A History of Ukraine. BY PAUL ROBERT MAGOCSI. Toronto: University of Toronto Press, 1996, 784 pp. $75.00 (paper, $35.00).

This is a magisterial history, not because of its bulk but because it deals clearly and well with a vast number of fundamental themes over a thousand-year period. Magocsi has wisely chosen to write this comprehensive history not of the Ukrainian ethnocultural or linguistic people, but of the Ukrainian land and all the peoples who have fought over, thrived in, and suffered upon it, from the ancient Scythians and the brutalized 500-year peace they guaranteed through the Lithuanian-Polish period of the mid-fourteenth to the mid-seventeenth centuries, through the 263 years under the Romanovs, to the present day.

Patiently but firmly, Magocsi rejects the Russian historical tradition, which treats the Ukrainian experience as but a rib in the more encompassing history of Russia, and so, too, its Polish counterpart, which over the ages regarded the western half of modern Ukraine as merely the uncivilized but rightful borderland of the Polish empire. Instead he builds from the premise that Ukraine and its denizens, whether the ancient Rus of Kiev, the post-medieval Zaporozhian Cossacks, or the adherents of national movements of the nineteenth century, have a separate and distinguishable history, often infused with values quite different from those of the Russians.

The State against Society: Political Crises and Their Aftermath in East Central Europe. BY GRZEGORZ EKIERT. Princeton: Princeton University Press, 1996, 435 pp. $59.50 (paper, $19.95).

Ekiert reverses things: Rather than explore the way authoritarian leaders, an overpowering party, the formal creed, and the other tools and features of the post-war East European regimes shaped events until control slipped away, he chooses instead to examine how these regimes and everything around them were shaped by a particular class of events. Namely, he focuses on crises—the Hungarian crisis of 1956-63, the Czechoslovak crisis of 1968-76, and the Polish crisis of 1980-89. He argues convincingly, but perhaps not surprisingly, that these extended traumas profoundly influenced the coherence of elites, the cohesion and vitality of popular opposition, and the evolution of the collective mindset, but in different ways in different countries. These differences, in turn, he maintains, largely account for the contrasts in the way the system expired after 1989. Perhaps. But one is still left to explain parallels and differences in the demise of other regimes whose histories were not molded in crises.

The Middle East

WILLIAM B. QUANDT

The Call from Algeria: Third Worldism, Revolution, and the Turn to Islam. BY ROBERT MALLEY. Berkeley: University of California Press, 1996, 323 pp. $48.00 (paper, $18.00).

Intellectuals and some politicians in both the North and South once spoke as if the

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masses of the Third World would rise up and use the state to produce an egalitarian political order more compassionate than capitalism and less oppressive than communism. This belief in "Third Worldism" was given its fullest expression in countries like Algeria, which, after winning its independence in a bloody war, formed a vaguely socialist government and led the campaign for a more equitable division of the world's wealth. Today cynicism and indifference have replaced much of that optimism, and in Algeria the moralistic, populist agenda has been co-opted by radical Islamists. Malley's remarkable book looks carefully at the construction of this system of beliefs to see how it evolved and was adopted in diverse settings, such as among Algerian and French intellectuals. The author is exceptionally well read, creative in seeing connections and influences, and gifted with a graceful, if world-weary, writing style. However, as many questions are raised as resolved: Were the writers of Third Worldist tracts really all true believers? Does ideology really play such a big part in political life, or is it often a façade for position and power? And is radical Islam so well placed to inherit the mantle of Third Worldism, or are ordinary people learning to distrust religious and secular utopians?

The Controversy of Zion: Jewish Nationalism, the Jewish State, and the Unresolved Jewish Dilemma. BY GEOFFREY WHEATCROFT. Reading: Addison-Wesley, 1996, 396 pp. $25.00.

There is no shortage of books on Zionism, yet this one is different. First of all, the author is neither a Zionist nor an anti-Zionist. Rather, he is a historian who asks how Zionism, a movement founded just 100 years ago, has contributed to its original goal of creating a normal life for Jews. His survey takes him on a journey through history and ideas, concluding with the travails of the successful, but not always happy, modern state of Israel. The author, however, has a tendency to judge Zionism by its initial purpose, paying too little attention, perhaps, to the inevitable hardening of ideology and organization that occurred as Zionists confronted the British and Arabs in Palestine, Hitler's attempt at extermination, the early wars of the fledgling state, and the challenges of peace. Still, his observations are filled with insight, his stance is dispassionate, and his conclusions are thought-provoking.

Why Syria Goes to War: Thirty Years of Confrontation. FRED H. LAWSON. Ithaca: Cornell University Press, 1996, 222 pp. $29.95.

A refreshing attempt to explain Syria's foreign policy that does not dwell on Baathist ideology, the mind of Hafiz al-Asad, or the sectarianism of the regime. Instead, the author concentrates on conflicts within the regime. So far, so good. Certainly Syria's role in the crisis leading to the 1967 war and its intervention in Jordan in 1970 must be understood largely in those terms. The discussion of how Syrian regimes have used foreign crises to win support is valid, and Lawson even suggests an interesting exception to the "democratic peace" model—multiparty Syria at war with democratic Israel in 1948. Consistent with his broad approach, Lawson sees Syria's

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confrontation with Israel as easing internal divisions by rallying the population to face an external threat. But this astute framework is weakened by an attempt to use a poorly developed Marxist notion of "accumulation crisis" to explain the underlying causes of dissension within the regime. Meant to be the point of the book, much of the economic analysis is thin and unconvincing.

Between the Flag and the Banner: Women in Israeli Politics. BY YAEL YISHAI. Albany: State University of New York Press, 1997, 292 pp. $54.50 (paper, $17.95).

In many ways, Israel resembles other Western democracies. But at war since its birth, the state has fostered a collective, mobilizational ethic that puts security interests ahead of individual freedom. Among other things, this has meant that Israeli women have been expected to subordinate feminism to state interests. And to a substantial degree they have opted for the flag instead of the banner. Compared to the situation in other democracies, as this well-researched study shows, women are underrepresented in Israeli political institutions, Golda Meir notwithstanding, and fewer identify themselves as feminists. Although women favor more spending on security than men, on most issues there is little difference. Israeli Arab women are both strong feminists and Palestinian nationalists. The author concludes that Israel is moving slowly toward a society in which individual rights are gaining respect, and with that trend will come an increased role in politics for Israeli women.

Living History: A Memoir. BY CHAIM HERZOG. New York: Pantheon Books, 1996, 448 pp. $30.00.

One of Israel's leading soldier-statesmen-diplomats, Chaim Herzog has written a lively account of his long life in politics. It is sprinkled with anecdotes and sketches of the people he has met and, naturally, his own words and accomplishments. He skips over many major events in which he was not directly involved—for example, the Israeli invasion of Lebanon in 1982—and has little good to say about such legendary figures as Foreign Minister Moshe Dayan. A history it is not; as memoir, it reveals much about the views of an influential man who served as president of Israel from 1983 to 1993.

The Six-Day War: A Retrospective. EDITED BY RICHARD B. PARKER. Gainesville: University Press of Florida, 1996, 345 pp. $49.95.

Modeled on the efforts to understand the Cuban missile crisis by bringing together key participants, this project has assembled Israelis, Egyptians, Americans, and Russians on the 25th anniversary of the Arab-Israeli "Six-Day" War of 1967, in which Israel occupied the West Bank, Gaza, Golan, and the Sinai, and which has cast a long shadow over the Middle East. The book includes both analytical overviews by scholars and practitioners and excerpts from lively contemporary discussions. On the whole, Israelis feel the war was justified, and most Americans agree; Arabs often argue that Egyptian President Nasser was manipulated into a confrontation that he had been trying to avoid for most of the decade. A few mysteries remain: What was Moscow doing when it falsely warned of a concentration

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of Israeli troops on the Syrian front in early May? Precisely what led President Johnson to shift from trying to prevent war to acquiescing in an Israeli preemptive strike? Why did Nasser keep escalating the crisis, given the balance of military power in Israel's favor? Still, any reader of this book will come away with a much clearer understanding of how a crisis that no one seems to have wanted led to a war that radically changed the Middle East.

City of Stone: The Hidden History of Jerusalem. BY MERON BENVENISTI. Berkeley: University of California Press, 1996, 274 pp. $24.95.

The status of Jerusalem is often considered the most intractable of all the issues that divide Israelis and Palestinians. Here a former deputy mayor paints a portrait of Jerusalem and its many suitors, arguing that the conflict over the city is a permanent "condition," not a solvable problem. Indeed, Benvenisti has little patience for those who try to find solutions; at most, he argues, the parties to the conflict might agree to some kind of "process" to help manage the inevitable tensions that arise from the many claims in this city that holds a special place for Jews, Christians, and Muslims. Reluctant to make suggestions of his own, the author expresses a faint hope that, with time, those who care about the city may realize that there can be no victor, no vanquished, and that Jerusalem cannot be the special preserve of any one group. On the way to this conclusion, the reader will learn a great deal about the city and its history, demography, and problems.

Political Islam: Essays from Middle East Report. EDITED BY JOEL BEININ AND JOE STORK. Berkeley: University of California Press, 1997, 395 pp. $50.00 (paper, $20.00).

These short pieces were previously published in *Middle East Report,* a publication that prides itself on taking an independent, critical, and often radical look at issues in the Middle East. Many are classics, making strong arguments, challenging conventional wisdom, and allowing Middle Easterners to speak for themselves. No simple picture emerges—and that, surely, is the point. Political Islam is a complex, multifaceted phenomenon that cannot be squeezed into simple analytical categories. Instead, it needs to be studied in historical context. A very valuable collection.

Moshe Sharett: Biography of a Political Moderate. BY GABRIEL SHEFFER. New York: Oxford University Press, 1996, 1,065 pp. $120.00.

This massive volume focuses on a man who played an immense role in Israeli history but who has been lost in the shadow of his more charismatic and influential rival, David Ben Gurion. Moshe Sharett served as foreign minister from the founding of the state until 1956, and as prime minister for two crucial years during 1953-55. This detailed biography is an account of much of Zionist and Israeli history as seen through the eyes of a moderate man who was inclined toward accommodation with Israel's Arab neighbors. Like many moderates, he was accused of being weak, and he was finally muscled aside by Ben Gurion at a time of rising tensions with Egypt. The book

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tempts speculation on what might have been different had Sharett held on to the prime ministership in 1955. Would there have been a Suez campaign? Might the American-sponsored "Project Alpha," a secret attempt to broker peace, have had a better chance of success? The book also provides fascinating detail on such matters as the infamous Lavon affair—an unsuccessful Israeli covert action in Egypt designed to weaken Egypt's relations with the West—which ultimately ruined Ben Gurion's career and partially vindicated Sharett. This is a sympathetic work by a skilled historian who has mined an enormous number of sources.

North Africa: Development and Reform in a Changing Global Economy. EDITED BY DIRK VANDEWALLE. New York: St. Martin's Press, 1996, 286 pp. $49.95.

North Africa is the source of a number of political and economic experiments that merit attention. For example, Morocco and Tunisia get good marks from the World Bank and International Monetary Fund for their economic reform programs; Algeria has tried, and then retreated from, democratization, but still enjoys one of the freest presses in the Arab world. This volume includes a number of stimulating essays that look at the region and its development from a comparative political economy perspective. A welcome addition to the literature.

Letters from Tel Mond Prison: An Israeli Settler Defends His Act of Terror. BY ERA RAPAPORT. New York: Free Press, 1996, 280 pp. $23.00.

Though he seemingly hopes to evoke Martin Luther King, Jr.'s "Letter from Birmingham Jail" with the title of this grimly compelling apologia, Rapaport, a West Bank settler and erstwhile social worker from Brooklyn, was jailed for his involvement in the "mayors' plot," the 1980 bomb attacks on three PLO-linked West Bank mayors in which Rapaport helped cripple Mayor Bassam Shaka of Nablus. A fundamentalist follower of Rabbi Tzvi Yehuda Kook, one of the spiritual fathers of the Israeli settler movement, Rapaport believes he is on a Biblical mission to reclaim the land of Israel and, like many of the settlers, remains openly contemptuous of the peace process. The rise of the Machteret—the Jewish terrorist underground with which Rapaport was involved—marked a critical early phase of an escalating and ongoing campaign of violence from Israel's radical right. Rapaport still finds it harder to empathize with his Palestinian neighbors than with Baruch Goldstein or Yigal Amir. The book is a timely reminder that containment of Israel's militants must be an integral part of the peace process. Alas, Israeli civil society has yet to comprehensively place such behavior beyond the pale: Rapaport is still mayor of the West Bank settlement of Shilo.

WARREN BASS

Asia and the Pacific

DONALD ZAGORIA

China and Korea: Dynamic Relations. BY CHAE-JIN LEE. Stanford: Hoover Institution Press, 1996, 218 pp. $32.95.

This is the first volume in English to explore comprehensively China's policy toward Korea from the Korean War to the present day. Although much about the

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origins of the Korean War and China's subsequent involvement still remains ambiguous and imprecise, this volume brings together most of the relevant scholarship in an admirably balanced fashion. The book argues that after repeated requests from Kim Il Sung, Stalin agreed in April 1950 to support Kim's invasion plan because he did not want to be accused of hindering the "revolution" in the east, nor did he want Mao to become another Tito. Mao was fully aware of the general scenario, if not the precise timing and tactics, of Kim's invasion plan, and encouraged and assisted the military preparations. Kim Il Sung recognized signs of the incipient Stalin-Mao rivalry and adroitly manipulated the situation to obtain both leaders' support. Mao's decision to enter the Korean War was based largely on the geostrategic reality that, just as it had when Japan used it after annexing it as a bridgehead to invade China, the Korean Peninsula would pose a threat if it fell under U.S. control. The author closes with a sensible conclusion: "At the present time, China shares a common interest with the United States, Japan, and Russia in making sure that the Korean Peninsula does not succumb to another wave of fratricidal struggles or big-power confrontations."

The New Pacific Community in the 1990s. EDITED BY YOUNG JEH KIM. Armonk: M. E. Sharpe, 1996, 218 pp. $64.95 (paper, $24.95).

What distinguishes this uneven collection of essays about the potential for a "Pacific Community" from others is an essay by two analysts at RAND, Courtney Purrington and Charles A. Goldman, that discusses the broad forces shaping East Asian international relations. It cautiously concludes that "although the heterogeneity of the region requires an evolutionary approach to community building, it is also true that simple dialogue cannot address most of the critical economic and security problems in the region." In plainer English, the Association of Southeast Asian Nations and the Asia-Pacific Economic Cooperation conference, the two most important multilateral regional forums, have taken only very modest steps so far to develop a real sense of regional community. The realist view of East Asia—which stresses conflict, rivalry, and the need for maintaining an equilibrium—remains salient. Rinn-Sup Shinn, an analyst for the Congressional Research Service, has produced a thorough and balanced account of the complex developments on the Korean peninsula in recent years and of U.S. relations with both North Korea and South Korea. And Sheldon Simon and Robert L. Youngblood describe an evolution in East Asia away from a Washington-centered bilateralism to a more diffuse multilateral structure with both political-economic and security components.

The Major Powers of Northeast Asia: Seeking Peace and Security. EDITED BY TAE-HWAN KWAK AND EDWARD A. OLSEN. Boulder: Lynne Rienner, 1996, 259 pp. $49.95.

Perhaps the greatest immediate danger to peace and stability in East Asia is the isolated, failed, Stalinist regime of North Korea, which faces a critical food and

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energy shortage that might lead to its collapse and destabilize the region. The great virtue of this volume is that it focuses on the Korean problem from two vantage points—the Korea policies of the major powers concerned, China, Japan, and the United States, and relations between the two Koreas. Unfortunately, the concluding chapter is not very strong. The author argues that peace can be brought about only if the South Korean government becomes more "creative" and the North Korean government becomes more "sincere." Given the nature of the North Korean regime and the enormous mistrust between the two governments, such a formula is unlikely to be very productive. Moreover, one of the keys to the Korean situation—the internal setting in North Korea and the calculations of the leadership—is left out of the equation almost entirely. Finally, the volume is egregiously overpriced.

East Asian Security: An International Security *Reader.* EDITED BY MICHAEL E. BROWN, SEAN M. LYNN-JONES, AND STEVEN E. MILLER. Cambridge: MIT Press, 1996, 351 pp. $18.00 (paper).

This volume is an attractively priced collection of essays on East Asian security, all of which originally appeared in *International Security.* Many have already been frequently cited in the rapidly growing literature on East Asia. Some, such as those by Richard Betts and Aaron Friedberg, explore the overall prospects for war, peace, and stability in East Asia. Others, such as the chapter by Desmond Ball, present a comprehensive view of the arms buildup in the region. Still others discuss aspects of Chinese and Japanese security and foreign policies. There is, for example, a very informative review of Chinese perspectives on nuclear arms control by Banning N. Garrett and Bonnie S. Glaser. And Thomas U. Berger contributes an especially valuable discussion of Japanese security policy explaining why it is highly unlikely that Japan will set out to become a military superpower. The volume should be especially useful in courses dealing with East Asian security issues.

Southeast Asian Security in the New Millennium. EDITED BY RICHARD J. ELLINGS AND SHELDON W. SIMON. Armonk: M. E. Sharpe, 1996, 234 pp. $62.95 (paper, $24.95).

These essays are timely and of uniformly high quality. "China's Challenge to Asia-Pacific Regional Stability" by Colonel Karl Eikenberry argues that China's power and motivation for using force have been exaggerated, that the internal situation is likely to absorb the central leadership's attention for some time, and that the country has more to gain by continuing to participate in normal international economic and political affairs than by risking military adventures. "Japan's Emerging Strategy in Asia" by Kenneth Pyle discusses Japan's postwar thinking, beginning with the Yoshida Doctrine and concluding that participation in multilateral efforts such as the Persian Gulf War and the U.N. peacekeeping mission in Cambodia have begun to erode Japan's isolationism. The brief concluding essay, based on interviews in the region with foreign policy and security specialists, ought to be disturbing to the incoming Clinton team. There has been a substantial decline in U.S. credibility because of the closing of the Philippine

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bases; the election of a Vietnam War–generation president for whom Asia appears of tertiary interest; the downsizing of the U.S. military; the closing of consulates, U.S. Information Service posts, and Agency for International Development missions; the reduction in the numbers of Foreign Service officers; and the dismissal of local staff. The United States is viewed as a power in retreat.

Africa

GAIL M. GERHART

Norms in International Relations: The Struggle against Apartheid. BY AUDIE KLOTZ. Ithaca: Cornell University Press, 1995, 183 pp. $29.95.

To say that interests do not determine foreign policies would be heretical, but what defines interests? Set alongside strategic and economic concerns, what weight, if any, should be given to upholding moral principles when these conflict with the pursuit of more standard foreign policy objectives? Examining the anti-apartheid cause as a case where a moral norm took on a coercive and socializing force in its own right, this study challenges established realist approaches by looking at how and why many countries defied conventional policymaking patterns in adopting sanctions against South Africa. Separate chapters review the policies of three multilateral associations (the United Nations, the Commonwealth, and the Organization of African Unity) and three governments that fashioned responses to sanctions pressures (the United States, Britain, and Zimbabwe). While the author's belabored attempts to discredit "conventional" theory are not wholly convincing, she does build a persuasive argument that in the South African case the moral principle of racial equality influenced policy on a different, often conflicting, level from economic and strategic factors.

Citizen and Subject: Contemporary Africa and the Legacy of Late Colonialism. BY MAHMOOD MAMDANI. Princeton: Princeton University Press, 1996, 353 pp. $55.00 (paper, $19.95).

All serious efforts to reconceptualize African politics are to be welcomed, particularly when new formulations point toward constructive avenues of potential action for political reformers. This theoretically adventurous work by a prominent Ugandan academic attempts to shift away from current paradigms constructed around themes of ethnic identity and the role of civil society. Taking the colonial state as his point of departure, the author maintains that contemporary failures of democratization stem from the inability of most governments to reform the colonial mode of indirect rule via "customary" tribal authorities that prevails in rural Africa. Civil-society analysis ignores the political reality of peasant populations, yet democracy cannot take root in Africa without their participation, he asserts. Facts are sometimes trimmed too neatly to fit the author's Procrustean theoretical bed; why greater democracy at the local level will necessarily temper ethnic rivalry in urban and national politics is not

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completely clear. And practical prescriptions tend toward the vague: for example, governments are urged to look for better ways to "link" urban and rural areas and thereby overcome the legacy of colonialism's bifurcated, urban-rural pattern of rule. Nevertheless, this is an original book that offers a new angle of vision and is likely to stir up lively debate.

Protecting Human Rights in Africa: Strategies and Roles of Non-governmental Organizations. BY CLAUDE E. WELCH, JR. Philadelphia: University of Pennsylvania Press, 1995, 356 pp. $39.95.

We are almost sure to hear a lot in coming years about the growth in Africa of civil society—the emergence of non-governmental organizations that educate, promote, challenge, and defend in the name of citizen interests, private or public. Without such organizational activity, governments lack accountability and democracy is fragile at best. This outstanding study by a senior Africanist looks at the fledgling efforts of African NGOs to promote human rights. Concentration on four contrasting countries (Ethiopia, Nigeria, Senegal, and Namibia) enables the author to explore in depth the strategies, dilemmas, achievements, and weaknesses of specific NGOs while at the same time discussing such broad issues as ethnic rights, harmful traditional practices, and the disproportionate influence of foreign funders over NGO development. A particularly valuable chapter examines the evolution of the Banjul-based African Commission on Human and Peoples' Rights and the complex dynamic of its interactions with governments, the International Commission of Jurists, and emerging indigenous NGOs. This is a wise, nuanced, and copiously referenced study for practitioners and donors as well as academic analysts.

Mwalimu: The Influence of Nyerere. EDITED BY COLIN LEGUM AND GEOFFREY MMARI. Trenton: Africa World Press, 1995, 205 pp. $45.95 (paper, $16.95).

In its first 20 years of independence, Tanzania distinguished itself for its idealistic commitment to social equity, rural development, and international nonalignment. Julius Nyerere, Tanzania's president, philosopher-king, and development czar, shaped the country's policies and image to his own designs, moving later in his career into a new role as international proponent of Third World cooperation. The authors of this collection, all unabashed Nyerere admirers, review Tanzania's record of democracy, development, and international involvement, stressing the centrality of Nyerere's guiding hand and principles. Although the title promises an analysis of his influence, little is actually offered: the country, its people, lesser leaders, and technocrats appear for the most part as a tabula rasa on which Nyerere's ideas were emblazoned with minimal discussion. The stereotypical simplicity of Nyerere as *Mwalimu* (teacher) comes through, but not his complexity as a political leader whose failed economic schemes and misguided crushing of Tanzania's entrepreneurs have probably left his country poorer today than it would have been under less utopian-minded leadership. This book makes a start, but a penetrating and balanced study of Nyerere has yet to be written.

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Genealogies of Conflict: Class, Identity, and State in Palestine/Israel and South Africa. BY RAN GREENSTEIN. Hanover: University Press of New England, 1995, 307 pp. $40.00.

Why have two similar conflicts between colonizers and indigenous peoples led to disparate solutions of national self-determination and political incorporation? This study, comparing Palestine and South Africa from colonization until 1948, provides an answer. Jewish settlers, moved to immigrate by strong nationalistic motives, excluded Palestinian Arabs from Jewish economic and social structures. Relatively unified and economically sophisticated, Arabs maintained enough independence to envision, and eventually exact, political autonomy. Engaging heterogeneous communities, colonization in South Africa proved more complex. The settler-controlled state forced Africans into the white-managed labor market, creating segregationist incorporation—the social and political exclusion of indigenous people despite their integral economic inclusion. Fragmented and dependent, Africans could only demand equal incorporation. A broad introduction, the book tends to overemphasize indigenous peoples' power but convincingly demonstrates that a historical understanding of the two societies requires an analysis of subordinate groups and the interaction of economics, identity, and politics.

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